



New Jersey Infrastructure Bank
3131 Princeton Pike
Building 4 Suite 216
Lawrenceville, NJ 08648-2201

Robert A. Briant, Jr., Vice Chairman
Roger Ellis, Treasurer
Mark Longo, Secretary
Elizabeth Maher Muoio, State Treasurer
Catherine R. McCabe, DEP Commissioner
Diane Gutierrez-Scaccetti, DOT Commissioner
Sheila Oliver, DCA Commissioner
David E. Zimmer, Executive Director

July 19, 2018

DRAFT PUBLIC NOTICE

Public notice is hereby given that the New Jersey Infrastructure Bank ("I-Bank") Board of Directors will hold a public meeting on **Thursday, July 26, 2018 at 10:00 a.m., in the large conference room, at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey.** Formal action may be taken at this meeting.

To the extent known, the agenda of the public meeting will be as follows:

- 1 Call to Order – Vice-Chairman**
- 2. Open Public Meetings Act Statement**
- 3. Roll Call**
- 4.* Approval of the Minutes of the June 18, 2018 Meeting**
- 5. Announcements**
- 6. Public Comment**
- 7. Unfinished Business:**
 - A. Discussion of the Construction Status Report (hand-out) (S. Shymon)
 - B. Discussion and Status of SFY2018 Financing Program Projects (hand-out) (F. Scangarella)
 - C. Update on Outstanding I-Bank Requests for Proposals (D. Zimmer)
 - D. Update on Construction and SAIL Loan Program Production (D. Zimmer)
 - E. Water Bank Aged Inventory Report (L. Kaltman)
 - F. Status of open Board Resolutions (D. Zimmer)
- 8. New Business**
 - A.* Discussion and Acceptance of the May 2018 Treasurer's Report (J. Hansbury)
 - B.* Discussion and Approval of a Resolution Authorizing Reallocation of Certain Disaster Relief Emergency Financing Program (SAIL) Expenses (L. Kaltman)
 - C.* Discussion and Approval of a Resolution Awarding a Contract for Information Technology Managed Services (F. Scangarella)
 - D.* Discussion and Approval of a Resolution Authorizing an SFY2019 Water Bank Construction Loan to Middlesex County Utilities Authority (F. Scangarella)
 - E.* Discussion and Approval of a Resolution Authorizing Various Actions and Forms of Documents Necessary for the I-Bank's Environmental Infrastructure Fall Bond Pool (D. Zimmer)
 - F.* Discussion and Approval of a Resolution Amending and Restating the SFY2019 Transportation ST Loan Financing Program to recognize that the S-T interest rate is 1.5% (D. Zimmer)
 - G.* Discussion and Approval of a Resolution Amending the Membership of the Investment Committee to include the NJ Department of Transportation Board Member (J. Karp)
- 9.* Executive Session (if necessary)**

***ACTION ITEMS**

Please note this is a proposed agenda and the New Jersey Infrastructure Bank may consider and take action on such other business, which may come before it at this public meeting. In addition, the New Jersey Infrastructure Bank may not act upon the items listed in the above-proposed agenda in its discretion.



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Sheila Oliver, DCA Commissioner
David E. Zimmer, Executive Director

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

June 19, 2018

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 June 18, 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,

David E. Zimmer, CFA
Assistant Secretary

Enclosure

cc: Honorable Stephen Sweeney, President of the Senate
Honorable Craig Coughlin, Speaker of the General Assembly



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6/18/2018

NEW JERSEY INFRASTRUCTURE BANK

OPEN PUBLIC MEETING

Monday, June 18, 2018

1. CALL TO ORDER:

A meeting of the New Jersey Infrastructure Bank was convened on Monday, June 18, 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 10:04 a.m.

2. OPEN PUBLIC MEETING ACT STATEMENT:

Executive Director Zimmer read the Open Public Meeting Act Statement into the record.

3. ROLL CALL:

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

DIRECTORS

Robert A. Briant, Jr., Vice Chairman
Mark Longo, Secretary *
Roger Ellis, Treasurer *
Michele Putnam
(for Acting DEP Commissioner Catherine R. McCabe)
Michael Kanef
(for State Treasurer Elizabeth M Muoio)
Michael 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
Scott Shymon, DEP, Municipal Finance &
Construction Element
Adam Sternbach, Governor's Authorities Unit
Jeet Gulati, 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 May 2018 Board meeting.

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

Mr. Long moved for the approval of the minutes. Mr. Kanef seconded the motion.

The motion was carried with all 7 members voting in favor of the motion.

5. ANNOUNCEMENTS:

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

- On June 15, 2018, Executive Director Zimmer joined DOT Commissioner Gutierrez-Scaccetti, Assistant Commissioner Russo, LAIF Director Rankin and representatives from Essex County Department of Public Works and Engineering to discuss financing options for transportation capital projects in Essex County;
- On June 14, 2018, Assistant Director Scangarella and Legal and Compliance Officer Karp testified before the Assembly Environment and Solid Waste Committee regarding the Program's annual Appropriation bills and proposed Enabling Act Changes;
- On June 11, 2018, Assistant Director Scangarella and Legal and Compliance Officer Karp testified before the Senate Environment and Energy Committee regarding the Program's annual Appropriation bills and proposed Enabling Act Changes;
- On June 8, 2018, several NJIB staff members joined DEP Commissioner McCabe and thousands of volunteers throughout the Barnegat Bay watershed to help in the 2018 Barnegat Bay Blitz clean-up;
- On June 8, 2018, Assistant Commissioner Putnam was the Keynote speaker for, and CFO Kaltman participated in a panel discussion at, the NJ Alliance for Action's Water Infrastructure Symposium;
- On May 31, 2018, Executive Director Zimmer joined DOT Commissioner Gutierrez-Scaccetti, Assistant Commissioner Russo, LAIF Director Rankin and representatives from Middlesex County to discuss financing options for transportation capital projects in Middlesex County;
- On May 31, 2018, Assistant Director Scangarella, DEP Assistant Director Chebra and members of his staff met with the Borough of Freehold to discuss potential project financing;
- On May 30, 2018, Vice-Chairman Briant and Executive Director Zimmer met with members of the Monmouth County Engineering, Finance and Administration Departments to discuss potential NJIB Financing for bridge projects in Monmouth County;
- On May 30, 2018, Executive Director Zimmer, Assistant Director Scangarella and Legal and Compliance Officer Karp held a conference call with DOT Assistant Commissioner Russo, DOT Division of Multimodal Services Director Minutoli and members of their staffs to discuss DOT's UAS/Drone program;
- On May 29, 2018, Executive Director Zimmer participated on the EFAB Regionalization working group conference call;
- On May 25, 2018, Executive Director Zimmer and Assistant Director Scangarella met with NJ Office of Legislative Services, Senior Fiscal Analyst, Patrick Brennan to discuss the NJIB Transportation

Bank Financing Program;

- On May 22, 2018, Executive Director Zimmer, Assistant Director Scangarella conducted a webinar with the NJ League of Municipalities (NJLOM) to educate NJLOM members on the NJIB funding opportunities;
- On May 21, 2018, CFO Kaltman represented the I-Bank at the Offices of McCarter and English to facilitate the closing of the I-Bank's Series 2018A-1 and 2018B-1 Bonds.
- On May 15 – May 16, 2018, Vice-Chairman Briant and Executive Director Zimmer attended meetings with Congressmen and Legislative Directors in Washington, DC to review the NJ Water Bank Program;
- On May 14, 2018, Executive Director Zimmer and CFO Kaltman met with representatives from SPI Partners to discuss the NJ Water Bank Program;
- On May 14, 2018, Executive Director Zimmer, Assistant Director Scangarella and DEP Assistant Director Chebra and members of his staff participated on a conference call with Rutgers University to discuss upcoming CHP projects;
- On May 11, 2018, Executive Director Zimmer, Assistant Director Scangarella, Legal and Compliance Officer Karp and DEP Assistant Director Chebra met with representatives from the Office of Legislative Services and various Legislative aides to discuss the Program's annual Appropriation bills and proposed Enabling Act changes;
- The next I-Bank Board meeting is scheduled for Thursday, July 12, 2018 at 10:00 am at the I-Bank's offices.

A copy of the announcements is available on the I-Bank's webpage under the Recent Board Meeting Documents tab. <https://www.njib.gov/board-agenda/> (locate "Meeting Date", then select "Minutes", the announcements will be at the end of the file.)

Mr. Russo expressed his thanks to Executive Director Zimmer, CFO Kaltman and Assistant Director & COO Scangarella for their efforts of working closely with DOT's LAIF team to get the Transportation Financing Program up and running. Executive Director Zimmer thanked Mr. Russo, Ms. Rankin and their staff for all their support and cooperation. Mr. Briant agreed and was very pleased with the staff of both teams in getting the Transportation Financing Program to the point of accepting applications within just three (3) months.

6. PUBLIC COMMENTS:

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

7. UNFINISHED BUSINESS:

A. Mr. Shymon, of the NJDEP's Municipal Finance and Construction Element, reported that there are 245 active projects totaling \$1,438,685,542 and 1,276 closed projects with loans totaling \$5,828,700,601 for a grand total of 1,521 projects at \$7,267,386,143

B. Assistant Director & Chief Operating Officer Scangarella discussed the status of review for Water Bank Loan applications:

Color	Description	Number of Contracts	Estimated Contract Amount
Purple	Contracts Certified in Current FY	63	\$417,860,837
Green	Contracts Received Auth. To Award	14	\$56,389,027
Lt. Green	Contracts Rec. Auth. To Advert. < 4/1/18	11	\$33,038,610
Projected SFY2018 Total Certifications:		88	\$507,288,474
VL Green	Contracts Rec. Auth. To Advert. > 4/1/18	16	\$93,886,712
Yellow	Projects/Contracts Under Active Review	135	\$1,035,702,047
Lt. Red	Inactive Projects - Reactivation in Current FY	0	\$0
Total Other SFY18 Contracts in Review:		151	\$1,129,588,759

There were no comments or questions.

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

Financial Advisor Services for the NJ Transportation Bank

Pursuant to **Resolution No. 18-20**, the I-Bank issued an RFP on March 29, 2018. Four Proposals were received and independently reviewed. The Evaluation Committee made a recommendation for contract award to be acted on by the Board under Agenda Item 8C.

Information Technology Managed Services Provider

Pursuant to **Resolution No. 18-35**, the I-Bank issued an RFP published and distributed on May 29, 2018. Proposals are due June 28, 2018. A recommendation for contract award is expected at the July Board meeting.

Bond Counsel Services for the Water Bank

Pursuant to **Resolution No. 17-49**, the RFQ was issued through the Attorney General's Office. Proposals were received on April 25, 2018 and reviewed by a Review Committee composed of two (2) staff members of the I-Bank and three (3) people from the Attorney General's Office. The Review Committee made its recommendation for contract award and the contract will be awarded upon final approval in the Attorney General's Office

Bond Counsel Services for the Transportation

Pursuant to **Resolution No. 17-50**, the Attorney General’s Office issued the RFQ on May 17, 2018 and the proposals are due today, June 18, 2018. A recommendation for award will be made by the Review Committee through the Attorney General’s Office.

D. Executive Director Zimmer next reported on status of the Construction and SAIL Loan Programs:

- The I-Bank **received 3** new applications during the past month for Construction and SAIL Loan financing totaling \$21.8 M.
 - The I-Bank has received 30 Construction and SAIL Loan applications through May 31, 2018 totaling \$248.6 M.
- The I-Bank **closed 6** Construction and SAIL Loan applications since the last Board Meeting totaling \$33.2 M.
 - The I-Bank has 83 Construction and SAIL Loan’s outstanding to-date totaling \$662.3 M.
- The I-Bank **disbursed \$20.8 M** of funds since the last Board meeting to 28 projects.
 - 81 projects with open Construction and SAIL Loans have received disbursements from the I-Bank through May 31, 2018 totaling \$180.4 M, or approximately 27.23% of outstanding short-term loans.

This 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. 18-38 accepting the April 2018 Treasurer’s Report.

	NJ WATER BANK	NJ TRANSPORTATION BANK	NJ I-BANK
Revenues earned in April 2018:	\$ 513,508	\$ -	\$ 513,508
Total Revenues Earned YTD:	\$ 5,068,226	\$ -	\$ 5,068,226
Total Revenues Budgeted YTD:	\$ 5,020,649	\$ -	\$ 5,020,649
% of Budget:	101%	0%	101%
Expenses incurred in April 2018:	\$ 394,120	\$ 60,401	\$ 454,521
Total Expenses Incurred YTD:	\$ 4,405,230	\$ 236,307	\$ 4,641,537
Total Expenses Budgeted YTD:	\$ 4,549,658	\$ 632,043	\$ 5,181,701
% of Budget:	97%	37%	90%

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. Kanef and seconded by Mr. Long.
The motion was carried by a vote of 7-0-0.

- B. Executive Director Zimmer introduced Resolution No. 18-39 which amends and restates the I-Bank's Credit Policy ("Policy") last amended and approved by the Board through Resolution No. 16-24 in June of 2016. The Policy incorporates the name change to the I-Bank while also establishing creditworthiness requirements specific to the new Transportation Bank.

Executive Director Zimmer asked if there were any comments or questions. Mr. Kanef cautioned staff to keep an eye on the performance of loans and to be vigilant on the Policy for future amendments to protect the I-Bank's bond credit ratings. Ms. Putnam commented that appropriate members of the Board consider ways to fund critical water quality projects for communities that lack the financial strength to meet the Bank's current creditworthiness standards. Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Longo and seconded by Mr. Long.
The motion was carried by a vote of 7-0-0.

- C. Executive Director Zimmer introduced Legal and Compliance Officer Karp to present Resolution No. 18-40 authorizing the I-Bank to appoint Lamont Financial Services Corporation as the Financial Advisor for the Transportation Bank for SFY2019 and SFY2020 based on the Evaluation Committee's determination that Lamont submitted the highest ranked proposal among the four proposals received. The contract period begins July 1, 2018 and ends June 30, 2020 with an option to extend one additional year upon further approval of the Board.

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. Kanef.
The motion was carried by a vote of 7-0-0.

- D. Executive Director Zimmer introduced Assistant Director & Chief Operating Officer Scangarella to present Resolution No. 18-41 authorizing a SFY2019 Financing Program Construction Loan to North Hudson Sewerage Authority for an amount not to exceed \$23.2 million and to Plumsted Township for an amount not to exceed \$27 million.

Assistant Director & Chief Operating Officer 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. Kanef and seconded by Mr. Long.
The motion was carried by a vote of 7-0-0.

- E. Executive Director Zimmer introduced Assistant Director & Chief Operating Officer Scangarella to present Resolution No. 18-42 authorizing the implementation of the State Fiscal Year 2019 Transportation Bank Short-Term Loan Program, pursuant to which the Infrastructure Bank will make short-term loans to qualifying borrowers to finance the costs of transportation projects in anticipation

of future Transportation Bank long-term loans.

Assistant Director & Chief Operating Officer Scangarella asked if there were any comments or questions. Mr. Kanef asked if private capital was expected to be utilized and, if so, would it be presented to the Board for approval. Executive Director Zimmer replied that private capital was expected to be utilized as a source of funds, and that a resolution authorizing such funds would be presented to the Board for contract approval. In addition, the Board will be presented with a monthly report describing all utilized funds. Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Long and seconded by Mr. Kanef.
The motion was carried by a vote of 7-0-0.

- F. Executive Director Zimmer introduced Chief Financial Officer Kaltman to present Resolution No. 18-43 where by the NJIB guarantees to the State the payment of social security and pension contributions for its employees. As a precondition for the I-Bank to independently manage its HR functions, the NJIB must be included as employer under the State's Section 218 Agreement with the Social Security Administration. In order to be included as part of the State's Section 218 Agreement, the State requires this guarantee.

Chief Financial Officer Kaltman asked if there were any comments or questions. Ms. Putnam asked if this would result in any changes for I-Bank employees. Executive Director Zimmer responded this was a necessary administrative paper change for the I-Bank and that this Resolution was to ensure employees would not be affected. Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Long and seconded by Mr. Kanef.
The motion was carried by a vote of 7-0-0.

- G. Executive Director Zimmer introduced Resolution No. 18-44 authorizing the Executive Director to execute a "Declaration of Intent" for all Water Bank and Transportation Bank borrower loans. This resolution rescinds the prior delegating resolution, Resolution No. 99-13, to recognize the addition of Transportation Bank projects.

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. Kanef.
The motion was carried by a vote of 7-0-0.

9. EXECUTIVE SESSION:

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

The meeting was adjourned at 10:49 am.

RESOLUTION NO. 18 - 38

**RESOLUTION AUTHORIZING APPROVAL OF THE
APRIL 2018 TREASURER'S REPORT**

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank") has reviewed the Treasurer's Report for April 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 April 2018 and requests that the same be entered into the record.

Adopted Date: June 18, 2018

Motion Made By: Mr. Michael Kanef

Motion Seconded By: Mr. Robert Long

Ayes: 7

Nays: 0

Abstentions: 0

RESOLUTION NO. 18 - 39

**RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
APPROVING THE I-BANK'S AMENDED AND RESTATED CREDIT POLICY**

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank"), pursuant to and in accordance with 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 has been, and in the future may from time to time be, amended and supplemented (the "I-Bank Act"), is authorized to make and contract to make loans to project sponsors to finance a portion of the costs of the respective environmental infrastructure system projects thereof, 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 I-Bank Act and the purposes of the I-Bank; and

WHEREAS, on October 14, 2016 the I-Bank Act was amended pursuant to Public Law 2016, Chapter 56 (the "Amending Statute"). The Amending Statute, which became effective on January 16, 2018, pursuant to Public Law 2017, Chapter 327, changed the name to the New Jersey Infrastructure Bank "I-Bank" and expanded the statutory authority of the I-Bank to finance certain infrastructure projects to local government units, pursuant to the I-Bank Act; and

WHEREAS, the Board of Directors of the I-Bank (the "Board"), passed Resolution No. 16-24 on June 9, 2016, wherein it adopted that certain "Resolution Approving an I-Bank's Amended and Restated Credit Policy," (i) to ensure consistency and appropriate management of all credit risk on the part of the I-Bank with respect to all New Jersey Environmental Infrastructure Financing Program (the "NJEIFP") borrower classes on a programmatic basis, and (ii) to provide improved and consistent transparency to all NJEIFP applicants with respect to the creditworthiness standards of the NJEIFP; and

WHEREAS, each project financed through the NJEIFP typically consists of an I-bank loan and State (Fund) loan; and

WHEREAS, the creditworthiness standards set forth in a letter, dated October 29, 2001, from the State Treasurer to the Executive Director of the I-Bank continue to remain in effect for the State Loan under the NJEIFP; and

WHEREAS, given the early stages of the NJTIFP the Amended Credit Policy limits qualified Applicants to the NJTIFP to Municipalities, Counties and regional transportation authorities providing an investment grade rated G.O. pledge or qualifying Authorities that secure and provide an investment grade rated G.O. pledge from the underlying County or municipality; and

WHEREAS, it is the desire of the Board to amend and restate the Credit Policy, in the form attached hereto as Exhibit A, and made a part hereof, to incorporate creditworthiness

requirements for the NJTIFP into the I-Bank Credit Policy to recognize the applicability of the Amended Credit Policy to both the NJEIFP and the NJTIFP.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the I-Bank, that the Board hereby authorizes and approves (i) the adoption by the I-Bank of the Amended Creditworthiness Policy, in the form attached hereto as Exhibit A and made a part hereof, with such immaterial modifications thereto as the Executive Director of the I-Bank shall approve, following consultation with Bond Counsel to the I-Bank, the Office of the Attorney General of the State and the Financial Advisor to the I-Bank, and (ii) the implementation by the I-Bank of such Amended Credit Policy pursuant to the terms thereof. This Resolution shall become effective in accordance with the terms of Section 4(i) of the Act (N.J.S.A. 58:11B-4(i)).

Adopted Date: June 18, 2018

Motion Made By: Mr. Mark Longo

Motion Seconded By: Mr. Robert Long

Ayes: 7

Nays: 0

Abstentions: 0

EXHIBIT A

AMENDED CREDITWORTHINESS POLICY

NEW JERSEY INFRASTRUCTURE BANK



CREDIT POLICY

Revised – June 2018

POLICY AND PROCEDURE

NO. 1.21

SUBJECT: Credit Policy

REVISION HISTORY:	Adopted:	1/10/2013	Effective:	1/29/2013
	Revised:	10/17/2013	Effective:	10/31/2013
	Revised:	2/20/2014	Effective:	3/7/2014
	Revised:	6/12/2014	Effective:	6/30/2014
	Revised:	1/15/2015	Effective:	2/2/2015
	Revised:	6/9/2016	Effective:	6/24/2016
	Revised:	6/18/2018	Effective:	7/2/2018

PURPOSE: To define and clarify the credit worthiness standards required for participation in the New Jersey Environmental Infrastructure Financing Program (“Water Bank”) and the New Jersey Transportation Infrastructure Financing Program (“Transportation Bank”)

Credit Worthiness Policy for Loans of the New Jersey Infrastructure Bank

The I-Bank prides itself on staying true to its core mission:

- Promoting and facilitating the construction of:
 - Water quality and public health infrastructure projects throughout the State by providing low cost funding to local government units and drinking water systems;
 - Local transportation infrastructure projects by providing low interest loans to local government units; and
- Fulfilling a fiduciary responsibility to ensure that the credit standards of the Water Bank and Transportation Bank provide the highest levels of protection, thereby allowing future generations to borrow funds through each the Water Bank and Transportation Bank at the lowest and most efficient costs available.

In simplest terms, the Water Bank and Transportation Bank are each pools of subsidized loans dedicated to financing improvements to New Jersey's water quality and transportation infrastructure, respectively. Central to the I-Bank's continued success is the dedication of infrastructure project funding in perpetuity through a revolving fund structure. As participating borrowers in the Water Bank and Transportation Bank ("Borrowers") repay the State-funded component of their loans, these funds are re-lent to other Borrowers to finance new projects, hence, the revolving fund moniker.

In the event a Borrower defaults on its repayment obligation to the Water Bank or Transportation Bank, the consequences of the loss are, 1) the loss of funds reduces the total amount of revolving loan funds available for future borrowers; and 2) the default negatively impacts the credit rating of the I-Bank increasing the cost of financing for other Borrowers. Accordingly, the I-Bank maintains Borrower credit eligibility requirements as a precondition to qualification for a loan through either of the financing programs. The Water Bank and Transportation Bank are not meant to be lenders of last resort. This Credit Policy protects each financing program as a sustainable source of low cost infrastructure financing for current and future Borrowers.

Since the I-Bank's inception, the Water Bank has provided more than \$6.85 billion in zero and low interest rate long-term loans to local communities through a combination of federal and State funds and I-Bank bond proceeds, resulting in an estimated interest cost savings of over \$2.55 billion to these local communities. New Jersey's rate payers and tax payers are the direct beneficiaries of the Water Bank's multiple cost savings subsidies and administrative benefits. It is anticipated that the newly created Transportation Bank will offer similar savings to local communities.

In this Credit Policy, the I-Bank addresses the requirement of credit worthiness through the analysis of risk that each loan applicant ("Applicant") presents. This risk analysis considers the probability that a Borrower will not fulfill its annual debt service repayment obligation on its I-Bank loan on time and in full, as well as how each I-Bank Loan is secured to minimize any corresponding loss. This Credit Policy builds upon the previous policy by clearly articulating the I-

Bank's credit requirements to more effectively address the complex range of projects and Applicants to the Water Bank and Transportation Bank.

To apply this Credit Policy in a manner that is practical, transparent and fair to each Applicant, the Credit Policy considers (i) each Applicant's ability to repay its I-Bank Loan as demonstrated (in almost all cases) by an independent, investment grade credit rating from either Fitch Ratings, Inc., Moody's Investors Service or S&P Global Ratings, and (ii) the type of collateral that each Applicant will pledge as security for its Program Loan, defined by either (a) a General Obligation ("G.O.") Bond that constitutes the full faith and credit secured by a pledge of the *ad valorem* taxing authority of the underlying county or municipalities being served by the project or (b) a Revenue Bond, that is an obligation secured by the gross receipts generated by the water system.

This Credit Policy segregates Applicants by Borrower-type (Municipality, Authority, Private Water System) and collateral-type (G.O. Bond, Revenue Bond) and by Financing Program. Given the early stages of the Transportation Bank, the Credit Policy limits qualified Applicants to the Transportation Program to Municipalities, Counties and regional transportation authorities providing an investment grade rated G.O. pledge or qualifying Authorities that secure and provide an investment grade rated G.O. pledge from the underlying County or municipality. Given the more secure and stable nature of cash flow streams from water-related projects relative to transportation projects, the Credit Policy provides more latitude for Applicants of the Water Bank by qualifying certain higher-risk Applicants, namely lower or non-rated Revenue Bond Applicants. In recognizing the value of an investment grade G.O. pledge, and in order to ensure that all future, qualified Applicants receive fair access to the Financing Program's subsidized zero and low interest loans (*a benefit that has saved the average Borrower more than 25% of their total Program Loans principal amount in interest costs savings*), this Credit Policy requires more collateral from certain, higher-risk Water Bank Applicants. In this way, the I-Bank is less prone to future default and loss risks.

If you have any questions regarding this Credit Policy, please do not hesitate to contact either the I-Bank or our legal or financial advisor. We look forward to providing you the top-rated and efficient service that has always been the hallmark of the I-Bank financing programs.

Respectfully,



David E. Zimmer, CFA
Executive Director

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New Jersey Infrastructure Bank Credit Policy Statement

Revised June 18, 2018

I. STATUTORY AUTHORITY

The I-Bank, originally organized in August of 1986 as the “New Jersey Wastewater Treatment Trust”, is a public body corporate and politic with corporate succession, constituted as an instrumentality of the State, exercising public and essential government functions, and organized and existing under and pursuant to N.J.S.A. 58:11B-1 et seq. (the “I-Bank Act”). Since 1987, the I-Bank and the State have provided loan financing for acquiring, constructing, improving or installing wastewater treatment projects for wastewater treatment systems undertaken by local government units in the State. In 1998, the I-Bank Act was amended expanding the program to finance the costs of drinking water supply projects undertaken by local government units, private entities and nonprofit entities.

On October 14, 2016, the I-Bank Act was further amended pursuant to Public Law 2016, Chapter 56 (the “Amending Statute”), changing the name of the I-Bank to the “New Jersey Infrastructure Bank” and expanding its statutory authority. More specifically, the I-Bank’s statutory authority was expanded to make loans and provide other assistance to local government units to finance the cost of certain transportation infrastructure projects, as defined in the I-Bank Act. The Amending Statute became effective on January 16, 2018, pursuant to Public Law 2017, Chapter 327.

The I-Bank is structured organizationally as two distinct operating departments:

- (i) one department, the NJ Environmental Infrastructure Trust (“NJEIT”) which partners with the NJ Department of Environmental Protection (“NJDEP”) for the purpose of jointly operating and administering the New Jersey Environmental Infrastructure Financing Program, known as the New Jersey Water Bank (the “Water Bank”), and
- (ii) a second department, the NJ Transportation Infrastructure Bank, which partners with the NJ Department of Transportation for the purpose of jointly operating and administering the New Jersey Transportation Infrastructure Financing Program”), known as the New Jersey Transportation Bank (the “Transportation Bank”).

The I-Bank is responsible for ensuring that I-Bank Loans in the Water Bank and Transportation Bank are administered efficiently and fairly to all *qualified* Applicants in a fiscally responsible manner that safeguards the I-Bank’s future ability to make infrastructure loans in the most cost-

efficient manner.¹ This Policy does not address the State of New Jersey's credit standards utilized in issuing the State loan component of Water Bank Loans.²

II. OBJECTIVE

The I-Bank maintains minimum credit worthiness standards, compliance with which is a pre-condition to an Applicant's qualification to receive an I-Bank Loan. These credit worthiness standards help to ensure that (i) loans made through the Water Bank and Transportation Bank are repaid (on-time and in full) enabling the I-Bank to relend these funds over and over to other Borrowers in the State, and (ii) publicly issued I-Bank bonds maintain a AAA/AAA/Aaa Credit Rating from each of the three Nationally Recognized Rating Agencies ("NRRR") and, as a result, the I-Bank is able to issue its bonds at the lowest absolute rate for the benefit of all current and future Borrowers.

Recognizing that one of the hallmarks of the I-Bank has always been equal and shared access for all qualified Applicants to the I-Bank's AAA/AAA/Aaa Credit Rating for its bonds and the corresponding lower financing costs offered by the Water Bank and Transportation Bank, the I-Bank was neither created to be, nor intended to perform as, the lender of last resort for every Applicant seeking financing for environmental or transportation infrastructure projects in the State. Consequently, the purpose of this Credit Policy is to further define the financial conditions and requirements that must be satisfied by each Applicant so that all lending decisions and actions of the I-Bank continue to be consistent, transparent and, ultimately, fiscally prudent. Notwithstanding the existence of separate credit standards by the State.² and I-Bank, the I-Bank credit policy provisions apply to all I-Bank loans.

III. RECENT HISTORY

The Water Bank: The Water Bank has been subject to a number of policy revisions and product innovations since its inception more than 28 years ago. These changes include: the introduction of a water supply system or drinking water ("DW") component (1998), the introduction of the Master Program Trust Account ("MPTA") which serves as Water Bank Loan coverage or a reserve fund that is capitalized with Fund Loan repayments owed to the State and that acts as additional collateral support for the I-Bank's Environmental Infrastructure Loan Program outstanding bonds (1995), the most recent clarification and revision of the State's credit policy (2001), the Direct Loan Program (2001), introduction of the Financing Program's Enterprise Application Software system (2012), the Small System (NANO) Loan Program (2012), the Supplemental Financing Program (2012), the I-Bank's initial Credit Policy (2013), the SAIL Disaster Relief Loan Program (2013), the multi-year Short-Term Construction Loan Program (2015), and the rolling application process (2016).

¹ Note: Capitalized terms used herein shall have the meaning ascribed to such terms in Article V hereof, unless otherwise noted.

² The State's current Credit Policy for each Fund Loan, was articulated most recently in the two-page letter from former State Treasurer Peter Lawrance to then Executive Director of the I-Bank, Dirk Hoffman, on October 29th, 2001 (See Attachment 1).

Over 90% of the loans made by the I-Bank to date are secured either by (i) a general obligation (“G.O.”) bond issued by a taxing entity (a Municipality or county) and secured by a pledge of its full faith and credit or (ii) a Revenue Bond issued by an Authority and ultimately secured by a G.O. pledge of the full faith and credit of the municipal Participants served by that Authority. The Authority pledges to the I-bank, through its indenture or bond resolution, all payments payable to the Authority by the Participants pursuant to the Service Agreement. When applicable, these G.O. pledges obligate the Municipalities and/or counties to raise *ad valorem* taxes “without limitation as to rate or amount” in order to either (i) satisfy their debt service obligation to the I-Bank or (ii) satisfy any payment obligations pursuant to the Service Agreement in order for the Authority to repay its debt service obligations to the I-Bank.

The remainder of the outstanding Water Bank loans made by the I-Bank (i.e., less than 10%) are secured by a Revenue Bond. Revenue Bonds are not secured by a G.O. pledge of one or more Municipalities or Counties. As such, these Revenue Bonds may pose greater repayment default AND loss risk to the Water Bank. The fact that such Revenue Bonds are growing each year as a percentage of the Water Bank’s overall portfolio exposure speaks to the changing nature of the Water Bank and the recognition from non-traditional parties of the cost of capital advantages that the Water Bank offers relative to market-based lending alternatives. While the I-Bank’s publicly held bonds have never suffered a payment default, it is critical to establish and maintain policies that safeguard against the risk of default and loss in the future.

The Transportation Bank: The SFY2019 Financing Program is the first year for the Transportation Bank and will offers program loans to qualified Borrowers at extremely low interest rates to significantly reduce Borrower financing costs relative to independent financing.

IV. RISK PARAMETERS

This Credit Policy segregates default risk by Borrower-type and by credit pledge-type. In the event of a potential bankruptcy, Borrowers which are Municipalities, Counties or local Authorities must obtain the approval of the Local Finance Board within the Department of Community Affairs (“DCA”) before they are legally able to commence bankruptcy proceedings. Given (i) the G.O. pledge that secures the I-Bank Loan, and (ii) the additional legal hurdle and corresponding oversight from the State associated with bankruptcy proceedings, these entities have a greater hurdle, and therefore, a lower likelihood of experiencing default than their non-G.O. counterparts. In addition, the strength of a Borrower’s security for their respective loans has a limiting effect on both their probability of default as well as the magnitude of any principal or interest repayment loss should that Borrower default on its repayment obligation to the I-Bank. As such, any Borrower that can be compelled to raise, or compel a Participating municipality to raise, *ad valorem* taxes through their pledge of either a direct or indirect G.O. will be less likely to default and, in the unlikely Event of Default, will be less likely to cause a loss on their repayment obligations to the I-Bank. With this in mind, the Credit Policy divides Water Bank or Transportation Bank Borrowers into the following categories:

1. Water Bank and Transportation Bank

- a. G.O. Pledge:
 - i. Municipality/County

- ii. Authority
- 2. **Water Bank only**
 - a. G.O. Pledge
 - i. Redevelopment Project sponsored by an LGU
 - b. Revenue Pledge:
 - i. Authority
 - ii. Corporate/Private-ly-Owned Water System
 - c. *De-minimis* Borrowers
 - d. SAIL Loans

(See Section VI for further discussion of risk categories and corresponding criteria.)

V. **DEFINITIONS**

“Aggregate Annual Debt Service” means, with respect to any given Applicant, the total of the annual debt service payments for both direct and indirect (i.e., as a result of such Applicant’s participation in an Authority) obligations of the Applicant to either the Water Bank or Transportation Bank, as applicable, due and payable, or in the instance of a Short-Term Loan, estimated to be payable on a long-term basis, each State Fiscal Year to the I-Bank with respect to all outstanding Water Bank Loans or all outstanding Transportation Bank Loans when aggregated, or to the State with respect to all outstanding Fund Loans when aggregated. Note, the Aggregate Annual Debt Service calculation facilitates the determination of *De-minimis* status.

“Applicant” means an entity having submitted, pursuant to the I-Bank Act and applicable regulations, project information and/or a Letter of Intent or Short-Term Financial Addendum Form or an application for the financing of a project through the Water Bank or Transportation Bank.

“Authority” means a State authority, a municipal, county or regional sewerage or utility authority, a municipal sewerage district, an improvement authority, or any other political subdivision of the State, *other than* a Municipality or county, that is authorized to construct, operate and maintain a wastewater treatment system or a public water supply system, or to construct, rehabilitate, operate or maintain water supply facilities or otherwise provide water for human consumption, or a regional transportation authority, or any other political subdivision of the State authorized to construct, operate, and maintain public highways or transportation projects.

“Borrower” means any entity that has any Water Bank or Transportation Bank loans outstanding with either the State and/or the I-Bank.

“Credit Eligibility Requirements” means those standards set forth in Section VI:2 below pursuant to an Applicant’s borrower-type and security pledge.

“Credit Rating” means an assessment by one or more of the three Nationally Recognized Rating Agencies of the credit worthiness (i) of an Applicant and the Applicant’s ability to repay principle and interest on its bonds, or (ii) of a Nationally Chartered Bank or a State Chartered Bank and its ability to satisfy its liabilities.

“De-minimis Loan Applicant” means an Applicant with respect to which the *Pro-forma* Water Bank Aggregate Annual Debt Service owed to the I-Bank is less than \$100,000 for Borrowers providing a pledged G.O. and less than \$50,000 for Revenue Bond Borrowers. De-minimis Applicants must provide the I-Bank with all information necessary for review at least 4 months prior to the date of loan closing.

“Direct Loan Closing” means the date on which a Borrower delivers to the I-Bank and State (if applicable), and the I-Bank and State accepts from such Borrower, a note or other obligation evidencing an I-Bank Loan and Fund Loan to such Borrower pursuant to the direct loan program of the Water Bank or Transportation Bank, established pursuant to the I-Bank Act and one or more resolutions of the I-Bank.

“Escrow Closing” means the date on which the I-Bank, the State, a Borrower and an escrow agent appointed by the I-Bank each enter into an escrow agreement, pursuant to which (i) the I-Bank and the State each commit to make a loan to the Borrower with respect to a particular Environmental Infrastructure Project under the Water Bank or the I-Bank commits to make a loan to the Borrower with respect to a particular Transportation Infrastructure Project under the Transportation Bank; (ii) the Borrower commits to accept a loan from each of the I-Bank and the State with respect to such Environmental Infrastructure Project or the Borrower commits to accept a loan from the I-Bank with respect to such Transportation Infrastructure Project; and (iii) the I-Bank Loan Agreement and I-Bank Loan Bond for both Water and Transportation Infrastructure Projects and the Fund Loan Agreement and Fund Loan Bond for Water Bank Projects, together with certain other documents and legal opinions, are deposited into escrow, to be released by the escrow agent upon the issuance by the I-Bank of its bonds.

“Environmental Infrastructure Project” means the acquisition, construction, improvement, repair or reconstruction of all or part of any structure, facility or equipment, or real or personal property necessary for or ancillary to any (i) wastewater treatment system project, including any stormwater management or combined sewer overflow abatement projects, or (ii) water supply project, as authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), including any water resources project, as authorized pursuant to P.L.2003, c.162.

“Event of Default” means any occurrence or event defined as an Event of Default pursuant to a I-Bank Loan Agreement or a Fund Loan Agreement.

“Financial Due Diligence Meeting” means a meeting convened by the I-Bank to discuss elements of an Applicant’s financial health, including, without limitation, the sources of funding for an Applicant’s Environmental or Transportation Infrastructure Project, the current Credit Rating, the

potential impact of such an Environmental or Transportation Infrastructure Project on the Applicant's Credit Rating, and other matters deemed necessary or appropriate by the I-Bank to aid it in assessing (i) an Applicant's compliance with this Credit Policy and (ii) its financial eligibility to receive and repay a I-Bank Loan and Fund Loan. Financial Due Diligence Meetings may include the following representatives:

- Representatives of the NRRAs that rated the Applicant's outstanding debt;
- The Applicant's chief financial officer, highest elected official, and business administrator;
- One or more representatives of the developer of the Environmental or Transportation Infrastructure Project, if applicable, possessing knowledge and authority to provide detailed information regarding the Environmental or Transportation Infrastructure Project and its regulatory and financial details;
- A representative of each of the non-I-Bank entities, including other State Agencies, if any, providing funding for any aspect of the Environmental or Transportation Infrastructure Project;
- A representative of each entity that may provide a guarantee for the financing of the Environmental or Transportation Infrastructure Project, if applicable;
- Two representatives of the I-Bank's senior management;
- A representative of any entity that may serve as signatory to an I-Bank Loan Agreement or Fund Loan Agreement, or another form of contractual obligation in connection with the financing of the Environmental or Transportation Infrastructure Project; and
- Such other individuals deemed necessary or appropriate by the I-Bank to aid in conducting financial due diligence including, without limitation, representatives from the New Jersey Department of Community Affairs and/or the New Jersey Board of Public Utilities.

"Financing Program Principals" means the I-Bank and the State, collectively, as parties to the Water Bank and Transportation Bank.

"Finding of Unacceptable Credit Risk" means a written finding by the I-Bank (i) that the Applicant fails to meet the Credit Eligibility Requirements, (ii) that one or more Material Events has occurred within the immediately preceding sixty (60) months, or (iii) that the I-Bank otherwise identifies credit, liquidity or operational risks deemed by the I-Bank to constitute unacceptable risks to the Water Bank or Transportation Bank.

"Fund Loan" means a loan provided by the State, acting by and through the NJDEP, to a Borrower for the financing as part of the Water Bank all or a portion of an Environmental Infrastructure Project pursuant to the Federal Clean Water Act or the Federal Drinking Water Act.

"Fund Loan Agreement" means an agreement, by and between the State, acting by and through the NJDEP, and a Borrower, pursuant to which the State extends a Fund Loan to a Borrower in connection with the financing of all or a portion of an Environmental Infrastructure Project, and the Borrower agrees to certain terms and conditions, including, without limitation, the construction of the Environmental Infrastructure Project and the repayment of the Fund Loan.

“Fund Loan Bond” means a senior lien bond issued by a Borrower to the State, acting by and through the NJDEP, in order to evidence and secure the Fund Loan repayment obligations of such Borrower to the State, all in connection with the financing of all or a portion of an Environmental Infrastructure Project. The State may, in its discretion, accept a Junior Lien Bond, subject to certain covenant obligations, in lieu of a senior lien bond.

“I-Bank Loan” means a loan made by the I-Bank to a Borrower for the financing as part of the Water Bank or Transportation Bank of all or a portion of an Environmental or Transportation Infrastructure Project pursuant to N.J.S.A. 58:11B-1 et seq.

“I-Bank Loan Agreement” means an agreement, by and between the I-Bank and a Borrower, pursuant to which the I-Bank extends a I-Bank Loan to a Borrower in connection with the financing of all or a portion of an Environmental or Transportation Infrastructure Project, and the Borrower agrees to certain terms and conditions, including, without limitation, the construction of the Environmental or Transportation Infrastructure Project and the repayment of the I-Bank Loan on-time and in-full.

“I-Bank Loan Bond” means a senior lien bond issued by a Borrower to the I-Bank in order to evidence and secure the I-Bank Loan repayment obligations of such Borrower to the I-Bank, all in connection with the long-term financing of all or a portion of an Environmental or Transportation Infrastructure Project pursuant to N.J.S.A. 58:11B-1 et seq. The I-Bank may, in its discretion, accept a Junior Lien Bond, subject to certain covenant obligations in lieu of a senior lien bond.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated pursuant thereto.

“Investment Grade Rated” means an Applicant with at least one current rating assigned by a NRRRA that is not less than BBB- (S&P and Fitch) or Baa3 (Moody’s), as well as no Non-Investment Grade Rated Credit Ratings from any of the NRRAs.

“Joint and Several Liability Service Agreement” means a Service Agreement, by and among a Special Obligation Entity and two or more Participants, pursuant to which all Participants have contractually agreed to be jointly and severally liable for the obligations of any of the Participants thereunder, including, without limitation, the obligation to pay amounts necessary to meet the debt service obligations of the Special Obligation Entity.

“Letter of Credit” or “LOC” means an irrevocable Letter of Credit issued by a Nationally Chartered Bank or a State Chartered Bank that secures the payment of the principal and/or interest on (as applicable) the I-Bank Loan Bond and Fund Loan Bond issued to the I-Bank and the State, respectively, by the Applicant that procured such LOC.

“Loan Loss Reserve Fund” or “LLR” means a fund established by the I-Bank, pursuant to N.J.S.A. 58:11B-1 et seq., for the deposit of the annual Risk Premium as defined herein. Risk Premium payments will be deposited by the I-Bank into the LLR and shall secure repayments owed only on

those Water Bank or Transportation Bank loans in connection with which Risk Premium payments are required.

“Local Government Unit” or “LGU” means (i) a State Authority, county, Municipality, municipal, county or regional sewerage or utility Authority, municipal sewerage district, joint meeting, improvement Authority, or any other political subdivision of the State authorized pursuant to law to construct, operate and maintain wastewater treatment systems, or (ii) a State Authority, district water supply commission, county, Municipality, municipal, county or regional utilities Authority, municipal water district, joint meeting or any other political subdivision of the State authorized pursuant to law to operate or maintain a public water supply system or to construct, rehabilitate, operate or maintain water supply facilities or otherwise provide water for human consumption; or (iii) a county, municipality, municipal, county or regional transportation authority, or any other political subdivision of the State authorized to construct, operate, and maintain public highways or transportation projects as defined pursuant to this section.

“LGU Sponsor” means a Local Government Unit whose participation in an I-Bank Loan Agreement and/or a Fund Loan Agreement, or any other form of contractual obligation, is necessary to satisfy Water Bank or Transportation Bank requirements, including, but not limited to, compliance with this Credit Policy for the purpose of assisting a third party in securing access to funding from the Water Bank for an Environmental Infrastructure Project or Transportation Bank for a Transportation Infrastructure Project of mutual benefit to such Local Government Unit and such third party.

“Material Event” means, with respect to a given Applicant, the occurrence of any one or more of the following: (i) an Event of Default under an existing I-Bank Loan Agreement and/or Fund Loan Agreement to which the Applicant is a party; (ii) the Applicant’s receipt of notice of a criminal complaint, criminal investigation or indictment pertaining to the Applicant or any of its officers or directors; (iii) a material change in financial position demonstrating a material adverse effect upon the Applicant’s financial position within the last two fiscal years; (iv) the filing by the Applicant of a bankruptcy petition or the administration of the Applicant pursuant to the provisions of any applicable bankruptcy statute; (v) any written documentation that is produced by the NJDEP, NJDOT or the I-Bank which identifies (1) material mismanagement by the Applicant of (a) any of its environmental or Transportation infrastructure facilities, or (b) the proposed Environmental or Transportation Infrastructure Project to be financed through the I-Bank, in which the Applicant has been unable to cure such material mismanagement or (2) failure of such Applicant to properly satisfy its repayment obligations with respect to any outstanding Water Bank or Transportation Bank Loans, including, without limitation, late payments or (3) failure of such Applicant to properly and promptly apply unexpended proceeds of any outstanding Water Bank or Transportation Bank Loans; (vi) material misrepresentations by the Applicant in any Water Bank or Transportation Bank application documents; or (vii) failure by the Applicant to submit timely responses to requests for information presented to the Applicant by the I-Bank and/or the NJDEP/NJDOT; or (viii) failure of the Applicant to satisfactorily complete all filings with the LFB or any overseeing State agency; or (ix) being placed under oversight by the LFB or any

overseeing State agency. Applicants with Material events may be asked to enhance the security of their loan through mechanisms, such as Qualified Bonds.

“Municipality” means any city, borough, town, township or village situated within the boundaries of the State of New Jersey.

“Nationally Chartered Bank” means a banking institution chartered and supervised by the Office of the Comptroller of the Currency, an agency in the U.S. Treasury Department, pursuant to the National Bank Act, 12 U.S.C. Section 21 *et seq.*

“Nationally Recognized Rating Agency” or “NRRR” means any of Fitch Ratings, Inc. (“Fitch”), Moody’s Investors Service (“Moody’s”) or S&P Global Ratings (“S&P”).

“NJDEP” means the New Jersey Department of Environmental Protection.

“NJDOT” means the New Jersey Department of Transportation.

“New Jersey Infrastructure Bank” or “I-Bank” means a body corporate and politic organized under the laws of the State of New Jersey pursuant to N.J.S.A. 58:11B-1 et seq.

“Non-Investment Grade Rated” means an entity that possesses a current Credit Rating which is less than BBB- (S&P and Fitch) or Baa3 (Moody’s) from any of the three Nationally Recognized Rating Agencies.

“Non-Joint and Several Liability Service Agreement” means a Service Agreement, by and among a Special Obligation Entity and two or more Participants, pursuant to which each Participant has contractually agreed to be liable for a portion of the obligations specified thereunder, including, without limitation, the obligation to pay amounts necessary to meet the debt service obligations of the Special Obligation Entity, and the Participants are not obligated to pay amounts due and owing by any other Participants.

“Non-Rated” means an entity, which does not possess a current Credit Rating from any of the three NRRAs.

“Participant” means one or more Municipalities and/or Authorities that have entered into a Joint and Several Liability Service Agreement with a Special Obligation Entity or a Non-Joint and Several Liability Service Agreement with a Special Obligation Entity.

“Preliminary Financial Information” means certain written information produced by an Applicant and delivered to the I-Bank pursuant to a written request submitted by the I-Bank, all in furtherance of the assessment by the I-Bank of the Applicant’s compliance with this Credit Policy.

“Privately-Owned Water System” means a drinking water system required to comply with New Jersey State primary drinking water regulations for which a Public Water System Identification number (“PWSID”) exists.

“Pro-forma Aggregate Annual Debt Service” means, with respect to any given Applicant for both direct and indirect obligations to the Water Bank or Transportation Bank separately, the sum of (i) the Aggregate Annual Debt Service and (ii) the additional annual debt service payments due and payable each State Fiscal Year with respect to the I-Bank Loan and Fund Loan for which the Applicant is then applying to the Water Bank or Transportation Bank.

“Qualified Bonds” means any bond issued by a Municipality pursuant to the provisions of the Qualified Bond Act, N.J.S.A. 40A:3-1 et seq.

“Qualified Bond Debt Service Coverage Ratio” means the annual debt service to be paid by a municipality each fiscal year on any of its outstanding Qualified Bonds divided by the annual funds available for these payments pursuant to the Qualified Bond Act.

“Ratings” means:

Investment Grade Rating of the three major rating agencies				I-Bank Rank
	Moody's	Standard & Poor's	Fitch	
Best Quality	Aaa	AAA	AAA	12
High Quality	Aa1	AA+	AA+	11
	Aa2	AA	AA	10
	Aa3	AA-	AA-	9
Upper Medium Grade	A1	A+	A+	8
	A2	A	A	7
	A3	A-	A-	6
Medium Grade	Baa1	BBB+	BBB+	5
	Baa2	BBB	BBB	4
	Baa3	BBB-	BBB-	3
Non-Investment Grade	Ba1	BB+	BB+	2
	Ba2	BB	BB	1
	Below Ba2	Below BB	Below BB	0

“Revenue Bond” means a bond supported by the revenue from a specifically sponsored project.

“Risk Premium” means an annual premium imposed by the I-Bank on Borrowers providing Revenue Bonds to the I-Bank in an amount equal to 1% of the outstanding aggregate principal amount of the I-Bank Loan and the Fund Loan, provided, however, such amount shall be subject to the limitations imposed by the Internal Revenue Code as such limitations shall be interpreted and applied by the I-Bank following consultation with counsel.

“SAIL Loan” a short term or temporary loan to repair environmental infrastructure that was damaged during a declared disaster or to improve the resiliency of such infrastructure that otherwise would have been damaged in future disasters pursuant to N.J.S.A. 58:11B-9.5.

“Service Agreement” means an agreement wherein a Special Obligation Entity agrees to provide wastewater treatment service or drinking water to one or more Participants in exchange for monetary compensation.

“Short Term Loan Closing” means the date on which a Borrower delivers to the I-Bank, and the I-Bank accepts from such Borrower, a note or other obligation evidencing a short-term or temporary loan made by the I-Bank to such Borrower pursuant to the short term loan program of the Water Bank, established pursuant to N.J.S.A. 9(d) and one or more resolutions of the I-Bank, or the short term loan program of the Transportation Bank, established pursuant to N.J.S.A. 58:11B-9(g) and one or more resolutions of the I-Bank.

“Special Obligation Entity” means an Authority, a nonprofit entity, a private entity, or any other Applicant or Borrower with respect to which the obligation to repay the I-Bank Loan and the Fund Loan is not secured by the irrevocable pledge of such Applicant or Borrower to exercise its unlimited taxing powers for the timely payment thereof.

“State” means the State of New Jersey.

“State Chartered Bank” means a banking institution chartered and supervised by the New Jersey Department of Banking and Insurance pursuant to the laws of the State, including, without limitation, N.J.S.A. 17:9A-1 *et seq.*

“State Fiscal Year” or “SFY” means the period beginning on the first day of July of each calendar year and ending on the thirtieth of June of the next succeeding calendar year, such period of time being established as the fiscal year of the State pursuant to N.J.S.A. 52:5-1. Each State Fiscal Year shall be designated by the calendar year in which such State Fiscal Year concludes.

“Transportation Bank” means the New Jersey Transportation Infrastructure Financing Program implemented by the NJDOT and the I-Bank in partnership to provide loans to Borrowers for Transportation Infrastructure Projects pursuant to N.J.S.A. 58:11B-1 et seq.

“Transportation Infrastructure Project” means capital projects for public highways, approach roadways and other necessary land side improvements, ramps, signal systems, roadbeds, transit lanes or rights of way, pedestrian walkways and bridges connecting to passenger stations and

servicing facilities, bridges and grade crossings as authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.).

“**Water Bank**” means the New Jersey Environmental Infrastructure Financing Program implemented by the NJDEP and the I-Bank in partnership to provide loans to Borrowers for Environmental Infrastructure Projects pursuant to N.J.S.A. 58:11B-1 et seq., the Federal Clean Water Act and the Federal Drinking Water Act.

VI. LOAN APPLICANTS

1. GENERAL APPLICABILITY PROVISIONS

Introduction: Applicants must meet the Credit Eligibility Requirements of this Credit Policy as set forth in Section VI:2 below in order to evidence and secure an I-Bank Loan repayment obligation through the issuance of privately negotiated bonds. Such Credit Eligibility Requirements shall apply to all Applicants seeking an I-Bank Loan, without regard to the relative proportions of the I-Bank Loan and/or the Fund Loan to the total amount of financial assistance sought by the Applicant from the Financing Program. In assessing compliance by an Applicant with the Credit Eligibility Requirements, the I-Bank will consider credit, liquidity, and operational risk as well as any other factors deemed necessary and appropriate by the I-Bank to (i) evaluate the risk of repayment default and (ii) in order to determine that there are no existing Material Events.

Credit Ratings: For the purposes of this Credit Policy, Applicant Credit Ratings may be either a public rating or a ratings assessment. All public ratings must be currently under surveillance by the NRRRA that issued such public rating. The I-Bank may require an Applicant to have a rating re-affirmed if a Material Event has occurred since the last review by the Rating Agency. Any Applicant relying on a ratings assessment must have received such rating from a NRRRA within twelve months prior to the I-Bank’s determination of the Applicant’s compliance with the I-Bank’s Credit Eligibility Requirements. Separately, the unenhanced rating (i.e., giving no consideration to enhancement from, among other sources, the State’s “Chapter 72 School Bond Reserve Program”) of a contiguous school district may be cited and relied upon by a Municipality(s) not possessing a Credit Rating and which is providing either a direct or indirect obligation in order to evidence and secure an I-Bank Loan repayment obligation. In the case of a Non-Rated Authority or Non-Rated Privately-Owned Water System, a tri-party agreement that includes a municipality or County with an Investment grade rating or a guarantee from an Investment Grade Rated corporate parent, either in a form acceptable to the I-Bank, may be cited and relied upon.

Portfolio Limitations: The I-Bank retains the right to reject outright any Applicant for which the resulting I-Bank Loan Bond is a Revenue Bond, the aggregate principal amount of which will serve to increase the projected I-Bank Revenue Bond principal exposure to an amount that exceeds 10% of the projected principal amount of publicly issued I-Bank Environmental Infrastructure bonds. Further, the Trust retains the right to require a rating from a NRRRA for a *De-minimis* Loan Applicant for which the resulting I-Bank Loan Bond is a Revenue Bond, the aggregate principal

amount of which will serve to increase the projected I-Bank's exposure to *De-minimis* Loan Borrowers to an amount that exceeds \$10 million.

Additional Information: In assessing an Applicant's compliance with the Credit Eligibility Requirements of the Credit Policy, the I-Bank may require the Applicant to participate in a Financial Due Diligence Meeting without regard to the Applicant's Credit Rating. The Applicant shall provide Preliminary Financial Information to the I-Bank no later than 15 business days following receipt of such written request from the I-Bank.

De-minimis Loan Requirement: For all *De-minimis* Loan Applicants, the Applicant shall provide to the I-Bank, in the case of an Applicant providing a direct or indirect G.O. pledge, evidence of either approval from the Local Finance Bond to incur debt through the Water Bank for the requested Loan amount or in the case of a Revenue Bond Applicant, evidence from the Board of Directors, or other governing body of the Applicant, a resolution pursuant to which such governing body acknowledges and agrees to:

- i. The projected debt service repayment obligation of the Applicant over the course of the proposed I-Bank Loan and Fund Loan;
- ii. With respect to any Applicant that is a Local Government Unit, a contractual obligation to provide an annual certification of an authorized officer of the Applicant that the Applicant has timely provided to the Division of Local Government Services within the New Jersey Department of Community Affairs (the "DLGS") a balanced budget for the forthcoming fiscal year, and that such budget has been approved by the Director of the DLGS, all in accordance with the Local Budget Law or the Local Authorities Fiscal Control Law, as applicable.
- iii. a contractual obligation, to be set forth in the I-Bank Loan Agreement and Fund Loan Agreement of the Applicant that obligates the Applicant each year, a Program Loan is outstanding, to fix the rates it charges its service customers in an amount at least equivalent to pay all outstanding debt service, operation & maintenance charges, and further, to pay any other expenses necessary to operate the Applicant's system in compliance with applicable laws and regulations. The Applicant will further covenant to provide to the I-Bank and the State a certification of an authorized officer of the Applicant, on an annual basis at the conclusion of each fiscal year of the Applicant, to the effect that the Authority has for such fiscal year, complied with the rate covenant set forth above. Failure to provide such certification, upon the expiration of a thirty-day notice and cure period, shall be an Event of Default pursuant to each of the I-Bank Loan Agreement and the Fund Loan Agreement, and shall give rise to a right of acceleration of the Program Loans by the I-Bank and the State, respectively.
- iv. In addition, the Applicant shall be subject to a covenant obligation to provide written notice to the I-Bank and the NJDEP within 30 days of the occurrence of any Event of Default, pursuant to and as defined in its indenture of trust or bond resolution, or any event that with the passage of time and/or the giving of notice shall constitute an Event of Default.

Junior Lien Bond Policy: Neither the Water Bank nor the Transportation Bank require debt service reserve funds of Investment Grade Rated Authorities to act as security for the I-Bank Loan Bond or the Fund Loan Bond issued by such Authority. Furthermore, if such reserve funds are required by the Authorities' own indenture of trust or bond resolution, neither the Water Bank nor the Transportation Bank will make I-Bank Loan proceeds or Fund Loan proceeds available to Authorities to fund such debt service reserve funds. However, the Water Bank or Transportation Bank will accept from such Authorities a junior-lien bond as evidence of and security for the I-Bank Loan and Fund Loan repayment obligations of such Authority. While this junior-lien bond is subordinated to any senior-lien debt of that Authority, the Water Bank and the Transportation Bank each protect themselves from repayment default and loss by requiring each Authority to comply with the following: (i) compliance with Credit Eligibility Requirements; (ii) a Service Agreement that is secured by the full faith and credit of one or more Participants; and (iii) a contractual obligation set forth in the indenture of trust or bond resolution of the Authority that obligates the Authority to raise the rates it charges its service customers by an amount at least equivalent to pay all outstanding debt service (including debt service with respect to the Junior-Lien I-Bank Loan Bond and the Junior-Lien Fund Loan Bond), operation & maintenance charges, and further, to pay any other expenses necessary to operate the Authority in compliance with applicable laws and regulations. In addition, the Authority shall be subject to a covenant obligation to provide written notice to the I-Bank, and the NJDEP when applicable, immediately upon the occurrence of any Event of Default, pursuant to and as defined in its indenture of trust or bond resolution, or any event that with the passage of time and/or the giving of notice shall constitute an Event of Default. The failure by the Authority to satisfy the obligation set forth in (iii), above, shall constitute an Event of Default, pursuant to and as defined in its I-Bank Loan Agreement and its Fund Loan Agreement.

Determination of Ineligibility: Any Finding of Unacceptable Credit Risk shall be issued in writing by the I-Bank to the Applicant and shall render the Applicant ineligible to receive as I-Bank Loan for the Water Bank or Transportation Bank Financing Program year.

Action by the I-Bank Pursuant to the Credit Policy: Any determination or action authorized or required to be undertaken by the I-Bank pursuant to the terms and provisions of this Credit Policy may be undertaken or performed by any authorized officer designated as such by the Board of Directors of the I-Bank through formal action, including but not limited to I-Bank Board Resolution No. 11-10 enacted on April 7, 2011.

Report of a Material Event to the Board: At the first meeting of the Board of Directors of the I-Bank immediately following the execution and delivery of any loan instruments relating to any loan made to a Borrower by the I-Bank, in connection with which the Executive Director of the I-Bank has determined the occurrence of a Material Event (as defined in the Credit Policy of the I-Bank) with respect to such Borrower, the Executive Director of the I-Bank shall provide a report to the Board of Directors of the I-Bank concerning details of such transaction and the Material Event that was identified by the Executive Director of the I-Bank. Such report shall include, with respect to such Borrower that was a recipient of such loan, (i) the identity of the Borrower, (ii) a summary of the project(s) for which financing was provided, (iii) the nature of the Material Event

at issue, and (iv) a discussion of the Borrower's compliance with the Credit Eligibility Requirements.

2. CREDIT ELIGIBILITY REQUIREMENTS

Applicants shall satisfy the I-Bank's Credit Eligibility Requirements. A determination as to compliance with the Credit Eligibility Requirements shall be made by the I-Bank at the earlier of the time of the Environmental or Transportation Infrastructure Project's:

- i. Short-Term Loan Closing, including, without limitation, the Disaster Relief Emergency Loan Financing Program (SAIL), or
- ii. Escrow Closing, or
- iii. Direct Loan Program Closing, or
- iv. Notice from the I-Bank of a Finding of Unacceptable Credit Risk.

Excepting the existence of a Material Event(s), Credit Eligibility Requirements are waived for supplemental loans with respect to existing I-Bank Loans.

I. WATER BANK OR TRANSPORTATION BANK CREDIT ELIGIBILITY REQUIREMENTS

A. ***PLEDGED G.O., provided that the Applicant is a Municipality/County, or the beneficiary of a guarantee provided by a Municipality/County, such Municipality/County which is:***

- i. **Investment Grade Rated:** No additional requirements.
- ii. **Non-Investment Grade Rated:** For an Applicant that is a Municipality, credit support is provided in the form of (i) a Qualified Bond, and (ii) a covenant obligation on the part of the Applicant to satisfy upon issuance of such Qualified Bond, the Qualified Bond Debt Service Coverage Ratio at $\leq 80\%$ and to immediately notify the I-Bank if, and when, the Applicant's Qualified Bond Debt Service Coverage Ratio exceeds 80% until the maturity of the I-Bank Loan Bond and Fund Loan Bond;
- iii. **Non-Rated:** A Credit Rating is obtained by the Municipality or the County from any of the three NRRAs and the applicable requirements relating to such Credit Rating as outlined in either Sections VI:2.1-A(i) or VI:2.1-A(ii) are satisfied.

A Municipality or a county failing to meet any one of the above criteria is ineligible to receive an I-Bank loan under this provision.

B. ***PLEDGED G.O., provided that the Applicant is an Authority which is:***

- i. **Investment Grade Rated:** No additional requirements.
- ii. **Non-Investment Grade Rated:** A Letter(s) of Credit issued by a Nationally Chartered Bank or State Chartered Bank:
 - a) with a Credit Rating(s) of no less than A (Fitch or S&P) or A1 (Moody's) and no Non-Investment Grade Credit Rating(s) from any of the three Nationally Recognized Rating Agencies; ***and***

- b) which Letter(s) of Credit shall be maintained at least at A (Fitch or S&P) or A1 (Moody's), or be replaced by the Borrower with a Letter of Credit from a Nationally Chartered Bank or State Chartered Bank which satisfies the preceding paragraph (i); **and**
- c) licensed to do business in the State of New Jersey; **and**
- d) which secures the payment of the principal of and interest on (as applicable) the I-Bank Loan Bond and the Fund Loan Bond issued to the I-Bank and the State, respectively, by such Borrower for the term of the I-Bank Loan and Fund Loan.

iii. Non-Rated:

- a) A Credit Rating is obtained from any of the three Nationally Recognized Rating Agencies and the applicable requirements relating to such Credit Ratings as outlined in either Sections VI:2.I-B(i) or VI:2.I-B(ii) are satisfied; **or**
- b) The Authority has entered into a Joint and Several Liability Service Agreement with one or more Participants and no more than 50% of the Authority's annual revenue is derived from Participants with Non-Investment Grade Ratings or that are Non-Rated; **or**
- c) The Authority has entered into a Non-Joint and Several Liability Service Agreement with one or more Participants and no more than 25% of the Authority's annual revenue is derived from Participants with Non-Investment Grade Ratings or that are Non-Rated.

An Authority failing to meet any one of the above criteria is ineligible to receive an I-Bank loan under this provision.

II. WATER BANK CREDIT ELIGIBILITY REQUIREMENTS

A. PLEDGED G.O., for a Redevelopment Project sponsored by a Local Government Unit which is:

i. Investment Grade Rated:

- a) A Financial Due Diligence Meeting is required to discuss the financial impact upon the LGU Sponsor of the proposed additional debt (note: if the Nationally Recognized Rating Agency that has rated the LGU Sponsor does not attend the Financial Due Diligence Meeting, the LGU Sponsor shall present to the I-Bank a certification that the Nationally Recognized Rating Agency has been informed in writing of the proposed financing and has chosen not to attend); **and**
- b) Additional requirements as appropriate are agreed upon to secure the LGU Sponsor including, but not limited to;
 - i. PILOT payments,
 - ii. Statutory rights pursuant to the Redevelopment Area Bond Financing Law,

- iii. Reserve funds, and
- iv. Corporate guarantees.
- ii. **Non-Investment Grade Rated LGU Sponsor:**
 - a) A Letter(s) of Credit issued by a Nationally Chartered Bank or State Chartered Bank:
 - i. with a Credit Rating(s) of no less than A (Fitch or S&P) or A1 (Moody's) and no Non-Investment Grade Credit Rating(s) from any of the three Nationally Recognized Rating Agencies; **and**
 - ii. which Letter(s) of Credit shall be maintained at least at A (Fitch or S&P) or A1 (Moody's), or be replaced by the Borrower with a Letter of Credit from a Nationally Chartered Bank or State Chartered Bank which satisfies the preceding paragraph (i); **and**
 - iii. licensed to do business in the State of New Jersey; **and**
 - iv. which secures the payment of the principal of and interest on (as applicable) the I-Bank Loan Bond and the Fund Loan Bond issued to the I-Bank and the State, respectively, by such Borrower for the term of the I-Bank Loan and Fund Loan; **and**
 - b) All requirements as set forth in Section VI:2.II-A(i) must be satisfied.
- iii. **Non-Rated LGU Sponsor:** A Credit Rating is obtained from any of the three Nationally Recognized Rating Agencies and the applicable requirements based on the ratings as outlined in either Sections VI:2.II-A(i) or VI:2.II-A(ii) are satisfied.

A redevelopment project failing to meet any one of the above criteria is ineligible to receive an I-Bank loan under this provision.

B. REVENUE BOND, *provided that the Applicant is a(n):*

a. Authority and is:

i. Investment Grade Rated:

- a) The indenture of trust or bond resolution pursuant to which the Authority issues its I-Bank Loan Bond and Fund Loan Bond shall include:
 - i. A debt service coverage ratio covenant; **and**
 - ii. A rate covenant; **and**
 - iii. A debt incurrence test, each deemed by the I-Bank to be acceptable; **and**
- b) For any time during the life of the Loan that a Credit Rating has been assigned to the Authority by any Nationally Recognized Rating Agency of less than A- or A3, the annual Risk Premium will be imposed by the I-Bank; provided, however, such amount shall be subject to the limitations imposed by the Internal Revenue Code as such limitations shall be interpreted and applied by the I-Bank following consultation with counsel. The payments will be deposited by the I-Bank into the LLR. This Provision will be enacted beginning with Water Bank Loans made in SFY2014.

ii. Non-Investment Grade Rated:

- a) A Letter(s) of Credit issued by a Nationally Chartered Bank or State Chartered Bank:
 - i. with a Credit Rating(s) of no less than A (Fitch or S&P) or A1 (Moody's) and no Non-Investment Grade Credit Rating(s) from any of the three Nationally Recognized Rating Agencies; **and**
 - ii. which Letter(s) of Credit shall be maintained at least at A (Fitch or S&P) or A1 (Moody's), or be replaced by the Borrower with a Letter of Credit from a Nationally Chartered Bank or State Chartered Bank which satisfies the preceding paragraph (i); **and**
 - iii. licensed to do business in the State of New Jersey; **and**
 - iv. which secures the payment of the principal of and interest on (as applicable) the I-Bank Loan Bond and the Fund Loan Bond issued to the I-Bank and the State, respectively, by such Borrower for the term of the I-Bank Loan and Fund Loan; **and**
 - b) The indenture of trust or bond resolution pursuant to which the Authority issues its I-Bank Loan Bond and Fund Loan Bond shall include (i) a debt service coverage ratio covenant, (ii) a rate covenant and (iii) a debt incurrence test, each deemed to be acceptable by the I-Bank;
- iii. Non-Rated:** A Credit Rating is obtained from any of the three Nationally Recognized Rating Agencies and the applicable requirements relating to such Credit Ratings as outlined in either Sections VI:2.II-B.a(i) or VI:2.II-B.a(ii) are satisfied.

An Authority failing to meet any one of the above criteria is ineligible to receive an I-Bank loan under this provision.

b. Privately-Owned Water System and is:

i. Investment Grade Rated:

- a) The indenture of trust pursuant to which the Privately-Owned Water System issues its I-Bank Loan Bond and Fund Loan Bond shall include
 - i. A debt service coverage ratio covenant; **and**
 - ii. A rate covenant; **and**
 - iii. A debt incurrence test, each deemed by the I-Bank to be acceptable; **and**
- b) For any time during the life of the Loan that a Credit Rating has been assigned to the Privately-Owned Water System by a Nationally Recognized Rating Agency of less than A- or A3, the annual Risk Premium will be imposed by the I-Bank; provided, however, such amount shall be subject to the limitations imposed by the Internal Revenue Code as such limitations shall be interpreted and applied by the I-Bank following consultation with counsel. The Risk Premium payments will be deposited by the I-Bank into the LLR. This Provision will be enacted beginning with Loans made in SFY 2014.

ii. Non-Investment Grade Rated:

- a) A Letter(s) of Credit issued by a Nationally Chartered Bank or State Chartered Bank:
 - i. with a Credit Rating(s) of no less than A (Fitch or S&P) or A1 (Moody's) and no Non-Investment Grade Credit Rating(s) from any of the three Nationally Recognized Rating Agencies; **and**
 - ii. which Letter(s) of Credit shall be maintained at least at A (Fitch or S&P) or A1 (Moody's), or be replaced by the Borrower with a Letter of Credit from a Nationally Chartered Bank or State Chartered Bank which satisfies the preceding paragraph (i); **and**
 - iii. licensed to do business in the State of New Jersey; **and**
 - iv. which secures the payment of the principal of and interest on (as applicable) the I-Bank Loan Bond and the Fund Loan Bond issued to the I-Bank and the State, respectively, by such Borrower for the term of the I-Bank Loan and Fund Loan; **and**
- b) The indenture of trust pursuant to which the Privately-Owned Water System issues its I-Bank Loan Bond and Fund Loan Bond shall include (i) a debt service coverage ratio covenant, (ii) a rate covenant and (iii) a debt incurrence test, each deemed to be acceptable by the I-Bank;

- iii. **Non-Rated:** A Credit Rating is obtained from any of the three Nationally Recognized Rating Agencies and the applicable requirements relating to such Credit Ratings as outlined in either Sections VI:2.II-B.b(i) or VI:2.II-B.b(ii) are satisfied.

A Privately-Owned Water System failing to meet any one of the above criteria is ineligible to receive an I-Bank loan under this provision.

C. PLEDGED G.O. or REVENUE BOND, De-minimis Loan Applicant, provided that the Applicant is:

- i. **Investment Grade Rated:** No additional requirements. The I-Bank reserves the right to require the Borrower to establish a debt service reserve account as collateral for the I-Bank Loan and Fund Loan. Funds for a debt service reserve fund may not be borrowed;
- ii. **Non-Investment Grade Rated:** A Letter(s) of Credit issued by a Nationally Chartered Bank or State Chartered Bank:
 - a) with a Credit Rating(s) of no less than A (Fitch or S&P) or A1 (Moody's) and no Non-Investment Grade Credit Rating(s) from any of the three Nationally Recognized Rating Agencies; **and**
 - b) which Letter(s) of Credit shall be maintained at least at A (Fitch or S&P) or A1 (Moody's), or be replaced by the Borrower with a Letter of Credit from a Nationally Chartered Bank or State Chartered Bank which satisfies the preceding paragraph (i); **and**
 - c) licensed to do business in the State of New Jersey; **and**

- d) which secures the payment of the principal of and interest on (as applicable) the I-Bank Loan Bond and the Fund Loan Bond issued to the I-Bank and the State, respectively, by such Borrower for the term of the I-Bank Loan and Fund Loan.
- i. **Non-Rated:** An Applicant meeting the established financial criteria, as set forth by the I-Bank from time to time and publicly disseminated (*See Attachment 2*), shall be eligible to receive a I-Bank loan subject to the requirements as outlined in Section VI:2.II-C(i) above. Additionally, such Applicant shall provide proof of authorization to enter into the Loan Agreements with the NJDEP and the I-Bank from its governing body, such as a Board of Directors. Any Applicant not meeting the established financial criteria, as set forth by the I-Bank, is subject to the requirements as outlined in Section VI:2.II-C(ii) above.

A *De-minimis* Loan Applicant failing to meet any one of the above criteria is ineligible to receive a I-Bank Loan under this provision.

D. SAIL Loans: Notwithstanding anything in this credit policy to the contrary, in the event that an Applicant providing a General Obligation pledge seeks financing through the SAIL Program and at least 50% of the loan amount has been obligated by and is anticipated to be reimbursed by FEMA or other similar Federal grant program, such Applicant shall be deemed compliant with the Credit Eligibility Requirements of the Credit Policy.

ATTACHMENT 1



State of New Jersey
OFFICE OF THE STATE TREASURER
PO Box 002
TRENTON NJ 08625-0002

DONALD T. DiFRANCESCO
Acting Governor

PETER R. LAWRENCE
Acting State Treasurer

RECEIVED
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NJ ENVIRONMENTAL
INFRASTRUCTURE TRUST

October 29, 2001

Dirk C. Hofman, P.E., Executive Director
New Jersey Environmental Infrastructure Trust
3131 Princeton Pike
Building 6 - Suite 201
Lawrenceville, New Jersey 08648

Dear Mr. Hofman:

It is my understanding that, based upon the enhanced collateralization provided by the Master Program Trust Agreement structure for financing programs beginning in 1995, the New Jersey Environmental Infrastructure Trust (the "Trust") no longer requires borrowers (the "Borrowers") to obtain investment grade ratings (shadow or otherwise) ("Investment Grade Ratings") on bonds issued by such Borrowers evidencing their market rate loans from the Trust (the "Trust Loans"). Accordingly, the State of New Jersey (the "State") will not require any Borrowers participating in future financing programs to obtain Investment Grade Ratings on bonds issued by such Borrowers evidencing their zero-interest loans from the State (the "State Loans"), if such Borrowers can meet at least one of the following safe harbor tests:

(1) De Minimis Test: The annual amortization of the principal amount of the Borrower's State Loan is less than or equal to \$50,000 in each year of scheduled repayment.

(2) Insurability Test: (a) The Borrower can demonstrate that it or an entity that has entered into a full faith and credit service or deficiency agreement that would be sufficient to pay all of the Borrower's outstanding debt, including the proposed Trust Loan and the proposed State Loan (a "Related Entity") has received either (i) bond insurance on any of its debt with a maturity of no less than ten years from the date of issuance, which debt was issued no more than two years prior to the beginning of the calendar year in which the State Loan to the Borrower is proposed to close, (ii) a surety bond by a municipal bond insurer securing the debt service reserve or comparable fund for any Borrower or Related Entity debt, which surety bond was issued in the same time frame as (i) above, (iii) a commitment to issue either (i) or (ii), which commitment is either current or was issued within the same time frame as (i) above or (iv) some other comparable evidence of insurability of debt of the Borrower or Related Entity and (b) the chief financial officer of the Borrower or the Related Entity, as appropriate, certifies to the State

Dirk C. Hofman, P.E., Executive Director
October 29, 2001
Page 2

that there has been no material adverse change to the financial condition of the Borrower or the Related Entity, as appropriate, since the date of existence of such bond insurance, surety bond or other evidence of insurability.

(3) *Qualified Bond Test:* The bond of the Borrower evidencing the State Loan is "qualified" pursuant to the Municipal Qualified Bond Act (N.J.S.A. 40A:3-1 *et seq.*).

(4) *State Oversight Test:* The Borrower has been granted assistance by the State through certain State agencies in the form of financial supervision and oversight pursuant to the Local Government Supervision Act (N.J.S.A. 52:27BB-1 *et seq.*), and at the time the State Loan is funded, the Borrower is in compliance with all of the conditions pursuant to which such assistance has been granted.

(5) *School District Test:* The Borrower is a municipality, the related school district of which either has an investment grade rating or can meet one of the safe harbor tests set forth herein. The Borrower is an authority, the school district of a Related Entity of which either has an investment grade rating or can meet one of the safe harbor tests set forth herein.

Unless the Trust is notified in writing to the contrary, this policy shall be in effect for all future Trust financing programs. This letter amends and supersedes any previous correspondence to you of prior State Treasurers regarding this subject.

Very truly yours,



Peter R. Lawrance
Acting New Jersey State Treasurer

ATTACHMENT 2

Deminimis Credit Metrics Criteria Municipality -- General Obligation Pledge

Water Utility Fund Primary Factors (Required)

Debt Service Coverage Ratio	≥ 1.1
Liabilities to Asset Ratio	$< 65\%$
Quick Ratio	> 1.0

Secondary Factors (3 of 5 Required)

Fund Balance (Reserve) as % of Revenue	$\geq 10\%$ for last three years
Long Term Debt per customer Year 1 - Pro Forma	$\leq \$1,500$
Long Term Debt per customer Year 5 - Pro Forma	$\leq \$1,500$
Account Growth	\geq Stable
Water Charge as % of Median Household Income	$< .75\%$
Water and Sewer Charge as % of Median Household Income	$< 1.5\%$

Additional Factors (Considered)

Demographics:	
Median Household Income Relative to County	
Median Home Value relative to County	
Town Metrics	
NJ fund Balance as percentage of Muni Revenue	$\geq 10\%$ for last three years
Total Full Value per Capita	$\geq \$100,000$
County Credit Ratings	
Number of Households Served	

Deminimis Credit Metrics Criteria Utility Authority -- No General Obligation Pledge

Primary Factors (Required)

Debt Service Coverage Ratio	≥ 1.25
Liabilities to Asset Ratio	$\leq 65\%$
Quick Ratio	> 1.0
Board Resolution Acknowledging and Agreeing to Loan Terms, Program Requirements and Repayment Obligations	Passed Prior to any Program Financing

Secondary Factors (3 of 5 Required)

Cashflow	Positive for prior two years
Long Term Debt per customer Year 1	$\leq \$1,500$
Long Term Debt per customer Year 5	$\leq \$1,500$
Account Growth	\geq Stable
Water Charge as % of Median Household Income	$< .75\%$
Water and Sewer Charge as % of Median Household Income	$< 1.5\%$

Additional Factors (Considered)

Demographics:
Median Household Income
Median Home Value
Town and County Credit Ratings
Number of Households Served

Deminimis Credit Metrics Criteria Small Systems/HOA's No General Obligation Pledge

Primary Factors (Required)

Debt Service Coverage Ratio	≥1.5%
Liabilities to Asset Ratio	≤ 65%
Quick Ratio	> 1.1
Board Resolution Acknowledging and Agreeing to Loan Terms, Program Requirements and Repayment Obligations	Passed Prior to any Program Financing
Reserves - separate line item for reserve contributions	Minimum at least 10% of gross expenses
Delinquent HOA Dues/Policy	No more than 10% of total units can be in arrears, past 30 days for fee payments, a copy of delinquent dues collection policy and procedure must be submitted
Special Assessment	(If Yes) Certified explanation is required

Secondary Factors (3 of 5 Required)

Cashflow	Positive for prior two years
Long Term Debt per customer Year 1	≤ \$1,500
Long Term Debt per customer Year 5	≤ \$1,500
Account Growth	≥ Stable
Water Charge as % of Median Household Income	< .75 %
Water and Sewer Charge as % of Median Household Income	< 1.5%

Additional Factors (Considered)

Demographics:
Median Household Income Relative to County
Median Home Value relative to County
Town and County Credit Ratings
Number of Households Served

DEFINITIONS – FOR MUNICIPALITY (GO PLEDGE)

“DEBT SERVICE COVERAGE RATIO” (DSCR) - measures the ability of a System to pay current debt obligations plus pro forma. DSCR is net operating income expressed as a percentage of debt obligations due within one year, including interest, principal, sinking-fund and lease payments. The higher the ratio, the greater the ability of a system to pay its creditors. These figures are located on the applicant’s Statement of Operations & Changes in Fund Balance.

DSCR is calculated as follows:

$$\text{DSCR} = \text{Net Operating Income} / \text{Annual Debt Service}$$

Net Operating Income = Gross Revenues less Operating Expenses.

Annual Debt Service = Principal, Interest and Lease payments due per year.

Gross Revenues = Annual revenues including all taxes collected, operating service fees, connection charges, wholesale supply charges, consulting fees, etc.

Operating Expenses = Total annual expenditures including all Operations & Maintenance (n.b. excludes capital replacement expenditures).

“LIABILITIES TO ASSET RATIO” means a municipality’s liabilities divided by its total assets as listed in the Statement of Assets, Liabilities, Reserves & Fund Balance of the Current Fund. A measure of leverage which indicates the degree to which a municipality’s assets are financed through borrowing and other obligations. A ratio closer to 0.0 indicates a low level of municipal assets are financed through long term obligations.

“QUICK RATIO” (Q.R.) equals current assets divided by current liabilities as listed in the most recent Statement of Assets, Liabilities, Reserves & Fund Balance of the applicant’s Current Fund. The Q.R. is a measure of liquidity and indicates the ability of the municipality to pay all current liabilities, meet short term expenses and emergencies.

QR is calculated as follows:

$$\text{Q.R.} = \text{Current Assets} / \text{Current Liabilities}$$

“FUND BALANCE” means the difference between a governmental fund’s current assets (i.e, cash, short-term investments, inventories, receivables, and other unrestricted assets expected to be available to finance operations in the immediate future) and its current liabilities. A positive difference of current assets minus current liabilities gives an indication of the resources immediately available to finance ongoing operations. The Fund Balance is located on the applicant’s Statement of Operations & Changes in Fund Balance.

“FUND BALANCE AS % OF REVENUE” means a Municipality’s Fund Balance as a percentage of the Total (annual) Revenues within the Current Fund located on the applicant’s Statement of Operations & Changes in Fund Balance. This ratio measures the ability of a municipality to supplement annual revenues without increasing rates.

Fund Bal/Revenue is calculated as follows:

$$= \text{Fund Balance} / \text{Total Revenues}$$

“LONG TERM DEBT PER CUSTOMER” means the ratio of total bonded debt of the municipality divided by the number of (commercial, non-profits, households) customers located within the municipality as of the most recent U.S. Census.

“ACCOUNT GROWTH” related to service area demographics is growth in a municipality’s residential, commercial, industrial, and government customer bases as well as its customer concentration. Stable growth is considered 3% per annum or less and moderate/rapid growth exceeds 3% per year.

“WATER CHARGE AS % OF MEDIAN HOUSEHOLD INCOME” the percentage of average annual household water charges of the system divided by the Median Household Income as of the latest U.S. Census figures. This figure is calculated in the Applicant’s Environmental Decision Document (EDD) issued by NJDEP.

“WATER AND SEWER CHARGE AS % OF MEDIAN HOUSEHOLD INCOME” the percentage of average annual household water and sewer charges of the system divided by the Median Household Income as of the latest U.S. Census figures. This figure is provided by the Applicant and calculated in the Applicant’s Environmental Decision Document (EDD), issued by NJDEP.

“MEDIAN HOUSEHOLD INCOME RELATIVE TO COUNTY” means the applicant’s Median Household Income divided by the County Median Household Income according to the latest U.S. Census figures.

“MEDIAN HOME VALUE RELATIVE TO COUNTY” means the Municipality’s Median Home Value divided by the County Median Home Value according to the latest U.S. Census figures.

“TOTAL FULL VALUE PER CAPITA” means an applicant’s full property value (the value of all taxable property as calculated by the tax assessor) divided by the population of the municipality as of the latest U.S. Census figures.

“COUNTY CREDIT RATING” means an assessment issued by one or more of the three Nationally Recognized Rating Agencies relating to the credit worthiness of the County in which the Applicant is located indicating the County’s ability to repay principle and interest on its bonds in full and on time.

“NUMBER OF HOUSEHOLDS SERVED” means the number of households in the Municipality served by the specific Applicants water or water and sewer system.

DEFINITIONS – FOR UTILITY AUTHORITY (NO G.O. PLEDGE)

“DEBT SERVICE COVERAGE RATIO” (DSCR) - measures the ability of a System to pay current debt obligations. DSCR is net operating income expressed as a percentage of debt obligations due within one year, including interest, principal, sinking-fund and lease payments. The higher the ratio, the greater the ability of a system to pay its creditors. These figures are located on the applicant’s Statement of Operations & Changes in Fund Balance.

DSCR is calculated as follows:

$$\text{DSCR} = \text{Net Operating Income} / \text{Annual Debt Service}$$

Net Operating Income = Gross Revenues less Operating Expenses.

Annual Debt Service = Principal, Interest and Lease payments due per year.

Gross Revenues = Annual revenues including operating service fees, connection charges, wholesale supply charges, consulting fees etc.

Operating Expenses = Total annual expenditures including all Operations & Maintenance (excludes capital replacement expenditures).

“LIABILITIES TO ASSET RATIO” means a Utility Authority’s liabilities divided by its total assets as listed in the Statement of Net Position. A measure of leverage which indicates the degree to which a Utility Authority’s assets are financed through borrowing and other obligations. A ratio closer to 0.0 indicates a low level of the authority’s assets are financed through long term obligations.

“QUICK RATIO” (Q.R.) equals current assets divided by current liabilities as listed in the most recent Statement of Assets, Liabilities, Reserves & Fund Balance of the applicant’s Current Fund. The ability of the utility authority to pay all current liabilities, meet short term expenses and emergencies, measures liquidity.

QR is calculated as follows:

$$\text{Q.R.} = \text{Current Assets} / \text{Current Liabilities}$$

“NET POSITION” means the difference between (1) assets and deferred outflows of resources, and (2) liabilities and deferred inflows of resources. Governments display net position in three components; (i) net investment in capital assets, (ii) restricted, and (iii) unrestricted. Net Position can be located in the applicant’s Statement of Net Position.

“NET POSITION AS % OF REVENUE” means a Utility Authority’s Net Position as a percentage of the Current Fund Total Revenues located on the applicant’s Statement of Revenues, Expenses & Changes in Net Position.

“CASH FLOW” means Incomings and outgoings of cash, representing the operating activities of an organization, the difference in amount of cash available at the beginning of a period (opening balance) and the amount at the end of that period (closing balance). It is called positive if the closing balance is higher than the opening balance, otherwise called negative. Cash flow is increased by (1) selling more goods or services, (2) selling an asset, (3) reducing costs, (4) increasing the selling price, (5) collecting faster, (6) paying slower, (7) bringing in more equity, or (8) taking a loan.

“NUMBER OF HOUSEHOLDS SERVED” means the number of households in the Authority’s service area served by the specific applicant’s water or water and sewer system.

“LONG TERM DEBT PER CUSTOMER” means the ratio of total bonded debt of the utility divided by the number of (commercial, non-profits, households) customers located within the utility’s service area as of the most recent U.S. Census.

“ACCOUNT GROWTH” related to service area demographics is growth in a utility’s residential, commercial, industrial, and government customer bases as well as its customer concentration. Stable growth is considered 3% per annum or less and moderate/rapid growth exceeds 3% per year.

“WATER CHARGE AS % OF MEDIAN HOUSEHOLD INCOME” the percentage average annual household water charges of the system divided by the Median Household Income as of the latest U.S. Census figures. This figure is calculated in the Applicant’s Environmental Decision Document (EDD) issued by NJDEP.

“WATER AND SEWER CHARGE AS % OF MEDIAN HOUSEHOLD INCOME” the percentage average annual household water and sewer charges of the system divided by the Median Household Income as of the latest U.S. Census figures. This figure is calculated in the Applicant’s Environmental Decision Document (EDD) issued by NJDEP.

“MEDIAN HOUSEHOLD INCOME” (MHI) means the calculation computed by the U.S. Census Bureau - Income of Households - This includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not. Because many households consist of only one-person, average household income is usually less than average family income. The median divides the income distribution into two equal parts: one-half of the cases falling below the median income and one-half above the median. For households and families, the median income is based on the distribution of the total number of households and families including those with no income. The median income for individuals is based on individuals 15 years old and over with income. Median income for households, families, and individuals is computed on the basis of a standard distribution.

“MEDIAN HOME VALUE” (MHV) means that one half of all homes were worth more and one-half were worth less. The midway point of all the houses/units sold at market **price** (or sold amount) over a set period (monthly, yearly, quarterly, etc.). (See US Census Reports).

“TOWN AND COUNTY CREDIT RATING” means an assessment issued by one or more of the three Nationally Recognized Rating Agencies relating to the credit worthiness of the Town and County in which the Applicant is located indicating the Town’s and County’s ability to repay principle and interest on its bonds in full and on time.

DEFINITIONS – SMALL SYSTEMS/HOA’S (NO G.O. PLEDGE)

“DEBT SERVICE COVERAGE RATIO” (DSCR) - measures the ability of a Home Owner’s Association (HOA) to pay current debt obligations. DSCR is net operating income expressed as a percentage of debt obligations due within one year, including interest, principal, sinking-fund and lease payments. The higher the ratio, the greater the ability of a system to pay its creditors. These figures are located on the applicant’s Statement of Operations & Changes in Fund Balance.

DSCR is calculated as follows:

$$\text{DSCR} = \text{Net Operating Income} / \text{Annual Debt Service}$$

Net Operating Income = Gross Revenues less Operating Expenses.

Annual Debt Service = Principal, Interest and Lease payments due per year

Gross Revenues = Annual fees assessed and collected plus any other miscellaneous charges.

Operating Expenses = Total annual expenditures including all Operations & Maintenance (n.b. excludes capital replacement expenditures).

“LIABILITIES TO ASSET RATIO” means a HOA’s liabilities divided by its total assets as listed in the Statement of Net Position. A measure of leverage which indicates the degree to which a HOA’s assets are financed through borrowing and other obligations. A ratio closer to 0.0 indicates a low level of the HOA’s assets are financed through long term obligations.

“QUICK RATIO” (Q.R.) equals current assets divided by current liabilities as listed in the most recent Statement of Assets, Liabilities, Reserves & Fund Balance of the applicant’s Current Fund. The ability of the HOA to pay all current liabilities, meet short term expenses and emergencies, measures liquidity.

QR is calculated as follows:

$$\text{Q.R.} = \text{Current Assets} / \text{Current Liabilities}$$

“RESERVES” means the funds that are earmarked by an Applicant from its operations set aside for future use, such as for the payment of likely-to-be-incurred bad debts.

“BOARD RESOLUTION ACKNOWLEDGING AND AGREEING TO LOAN TERMS, PROGRAM REQUIREMENTS AND REPAYMENT OBLIGATIONS” means a formally adopted resolution of the Applicant’s governing body acknowledging and agreeing to the loan terms and program requirements of the NJEIFP, and obligating the HOA members to the repayment of any liability on time and in full.

“DELINQUENT HOA DUES/POLICY” means the Small System/HOA Board approved delinquency policy for collection of unpaid dues/assessments. A sound policy will include: due date, grace period, late fee amount and/or penalty amount, timing of collection letters (often on 30-60-90-day schedule, when the matter will be turned over to the association attorney, when a lien will be filed of record, when foreclosure will begin.

“DELINQUENT ACCOUNT BALANCE” means the number of HOA units in arrears (both # and dollar amount), or past 30 days due for fee payments or assessments. At any point over the past 2 years, no more than 10% of the total HOA units can be in arrears, past 30 days for fee payments or assessments.

“SPECIAL ASSESSMENT” means an amount of money that a condominium trust/homeowner’s association (HOA) needs in order to pay for a project or outstanding debt that was not part of the annual budget/assessment. The trustees of the condominium/HOA levy the special assessment against all unit owners and require them to pay their fractional interest of the money being requested. The payment of the special assessment is divided by each unit owner’s interest in the common area. The amount may be requested immediately from each unit owner or may be broken into installments depending on how the trustees have decided to handle it.

“CASH FLOW” means Incomings and outgoings of cash, representing the operating activities of an organization, the difference in amount of cash available at the beginning of a period (opening balance) and the amount at the end of that period (closing balance). It is called positive if the closing balance is higher than the opening balance, otherwise called negative. Cash flow is increased by (1) selling more goods or services, (2) selling an asset, (3) reducing costs, (4) increasing the selling price, (5) collecting faster, (6) paying slower, (7) bringing in more equity, or (8) taking a loan.

“NUMBER OF HOUSEHOLDS SERVED” means the number of households in the small system’s service area served by the specific Applicants water or water and sewer system.

“LONG TERM DEBT PER CUSTOMER” means the ratio of total debt of the HOA divided by the number of households being serviced by the system.

“ACCOUNT GROWTH” related to service area demographics is growth in a utility’s residential, commercial, industrial, and government customer bases as well as its customer concentration Stable growth is considered 3% per annum or less and moderate/rapid growth exceeds 3% per year.

“WATER CHARGE AS % OF MEDIAN HOUSEHOLD INCOME” the percentage average annual household water charges of the system divided by the Median Household Income as of the latest U.S. Census figures. This figure is calculated in the Applicant’s Environmental Decision Document (EDD) issued by NJDEP.

“WATER AND SEWER CHARGE AS % OF MEDIAN HOUSEHOLD INCOME” the percentage average annual household water and sewer charges of the system divided by the Median Household Income as of the latest U.S. Census figures. This figure is calculated in the Applicant’s Environmental Decision Document (EDD) issued by NJDEP.

“MEDIAN HOUSEHOLD INCOME” (MHI) means the calculation computed by the U.S. Census Bureau - Income of Households - This includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not. Because many households consist of only one-person, average household income is usually less than average family income. The median divides the income distribution into two equal parts with 50% of the cases falling below the median income and 50% above the median. For households and families, the median income is based on the distribution of the total number of households and families, including those with no income. The median income for individuals is based on individuals 15 years old and over with income. Median income for households, families, and individuals is computed on the basis of a standard distribution.

“MEDIAN HOME VALUE” (MHV) means that one half of all homes were worth more and one-half were worth less. The midway point of all the houses/units sold at market **price** (or sold amount) over a set period (monthly, yearly, quarterly, etc.). (See US Census Reports).

“TOWN AND COUNTY CREDIT RATING” means an assessment issued by one or more of the three Nationally Recognized Rating Agencies relating to the credit worthiness of the Town and County in which the Applicant is located indicating the Town’s and County’s ability to repay principle and interest on its bonds in full and on time.

RESOLUTION No. 18 - 40

**RESOLUTION OF THE I-BANK APPOINTING A FINANCIAL ADVISOR
FOR FY2019 AND FY2020 TRANSPORTATION BANK FINANCING PROGRAMS**

WHEREAS, the New Jersey Infrastructure Bank (I-Bank) authorized solicitation of proposals for Financial Advisor Services in Resolution No. 18-20 pursuant to Executive Order No. 26 (Whitman) and N.J.S.A. 58:11B-5(i); and

WHEREAS, the I-Bank received four (4) proposals that were separately reviewed and ranked by members of an evaluation committee (Committee) comprised of three I-Bank staff members; and

WHEREAS, the Committee members ranks were tabulated and Lamont Financial Services Corporation ("Lamont") was found to be the highest ranked firm; and

WHEREAS, the Committee recommends that Lamont be appointed as the I-Bank's financial advisor.

WHEREAS, the I-Bank deems the services of a Financial Advisor to be critical to the public financing activities of the Transportation Bank.

NOW THEREFORE BE IT RESOLVED, the Executive Director send a letter to Lamont expressing the I-Bank's intent to appoint Lamont as the I-Bank's Financial Advisor, which letter shall also state that the appointment be for the period beginning July 1, 2018 and going through June 30, 2020; with an option to extend one additional year upon further approval by the Board and contingent upon the subsequent execution by all parties of an agreement substantially in the form of the agreement authorized by the Attorney General; and

BE IT FURTHER RESOLVED, the Chairman or Vice Chairman of the I-Bank is hereby authorized to execute an agreement, substantially in the form of the agreement authorized by the Attorney General, with Lamont. The terms and conditions of that agreement shall include but not be limited to:

- a. The provision of services as outlined in the I-Bank's RFP distributed on March 29, 2018, the proposal submitted by Lamont, dated April 28, 2018 and the Best and Final Offer submitted by Lamont on June 6, 2018; and
- b. The payment for all services as detailed in the proposal submitted by Lamont dated April 28, 2018 and the Best and Final Offer submitted by Lamont on June 6, 2018; 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 Chairman or Vice Chairman of the I-Bank.

Adopted Date: June 18, 2018

Motion Made By: Mr. Robert Long

Motion Seconded By: Mr. Michael Kanef

Ayes: 7

Nays: 0

Abstentions: 0

RESOLUTION NO. 18 - 41

**RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
APPROVING CONSTRUCTION LOANS TO
NORTH HUDSON SEWER AUTHORITY AND PLUMSTED TOWNSHIP**

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 construction financing program (the “Construction Financing Program”), to make loans (each, a “Construction Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Construction 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 a Construction Loan pursuant to the Construction 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 a Construction Loan through the Construction Financing Program for the same project scope; 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 “SFY2019 Authorizing Resolution”) to provide funding for the implementation of the Construction Financing Program during State Fiscal Year 2019 (the “SFY2019 Construction Loan Program); and

WHEREAS, it is the desire of the Board to authorize Construction Loan closings pursuant to the SFY2019 Construction Loan Program for loan closings occurring in SFY2019; and

WHEREAS, pursuant to the terms of the SFY2019 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 SFY2019 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 SFY2019 Authorizing Resolution; and

WHEREAS, pursuant to Section 5 of the SFY2019 Authorizing Resolution, 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 SFY2019 Construction Loan Program shall not exceed \$15,000,000 in principal amount (“SFY2019 Construction Loan Limitation”); and

WHEREAS, pursuant to Section 2 of the SFY2019 Authorizing Resolution, revisions and modifications may be made to terms and provisions of the Construction 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, each of the municipalities or authorities listed in Section 1 below (each a “Project Sponsor”) 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, for the purpose of completing environmental infrastructure projects; and

WHEREAS, pursuant to the construction schedules submitted by the Project Sponsors for each Project, a Construction Loan in the corresponding amount set forth in Section 1, not to exceed the maturity date authorized by the Act, will be made available to each Project Sponsor for construction, all or a portion of which will be completed prior to each Project Sponsors’ receipt of an I-Bank and Department long-term New Jersey Environmental Infrastructure Financing Program (“Water Bank”) loan; and

WHEREAS, with respect to the SFY2019 Authorizing Resolution’s 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 SFY2019 Construction Loan Program shall not exceed \$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 SFY2019 Construction Loan Program, to the aforementioned Project Sponsors in amounts not to exceed the amount stated for the purpose of completing each the North Hudson Sewer Authority Project and the Plumsted Township Project; and

WHEREAS, it is the desire of the I-Bank that, other than the SFY2019 Authorizing Resolutions’ Construction Loan Limitations described in the immediately preceding recital, each project sponsor shall comply with (i) all other requirements of the SFY2019 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 SFY2019 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 SFY2019 Construction Loan

Program, shall not exceed \$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, Construction Loans, as part of the SFY2019 Construction Loan Program, to the following project sponsors for the stated projects in amounts not to exceed the amounts stated for the purpose of completing each such project.

Project Sponsor	Project #	Description	Total Authorized Loan Amount
North Hudson Sewer Authority	S340952-30	Adams Street wastewater treatment plant improvements	\$23,200,000
Plumsted Township	S340607-03	Advanced waste water treatment and collection system	\$27,000,000

Section 2. Notwithstanding the stated loan amounts of \$23,200,000 and \$27,000,000 for each of North Hudson Sewer Authority and Plumsted Township, respectively, the Water Bank funding commitment shall be limited to the operable segments certified, in amounts set forth in the Department’s allowable cost determination for each such operable segment, and such funding commitment shall arise at the time of loan closing of the first such operable segment, and upon the Department’s allowable cost determination for each subsequent operable segment certified thereafter.

Section 3. Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loans made to the aforementioned Project Sponsors as part of the SFY2019 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: June 18, 2018

Motion Made By: Mr. Michael Kanef

Motion Seconded By: Mr. Robert Long

Ayes: 7

Nays: 0

Abstentions: 0

RESOLUTION NO. 18 - 42

**RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
AUTHORIZING THE TRANSPORTATION BANK CONSTRUCTION FINANCING PROGRAM
FOR STATE FISCAL YEAR 2019**

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank"), pursuant to and in accordance with (i) the "New Jersey Infrastructure Trust Act," constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be, amended and supplemented (the "Act"), and (ii) the policies established by the terms of the "Project Prioritization System, Project Priority List, and Financial Plan," dated May 4, 2018 (the "Financial Plan") and submitted to the New Jersey State Legislature jointly by the I-Bank and the New Jersey Department of Transportation (the "NJDOT"), pursuant to and in satisfaction of the requirements of the Act, is authorized, pursuant to an interim financing program (the "Construction Financing Program"), to make loans (each, a "Short-Term Loan") to "local government units" (as defined in the Act; N.J.S.A. 58:11B-3) that are eligible project sponsors (each, a "Borrower") for the purpose of financing the allowable costs of "transportation projects" (as defined in the Act; N.J.S.A. 58:11B-3) (which allowable costs may include the cost of environmental planning (if applicable), the cost of engineering design, and the cost of construction) (each, a "Project"), provided that each such Short-Term Loan made by the I-Bank to any such Borrower satisfies the requirements of the Act, including, without limitation, N.J.S.A. 58:11B-9(g), and the policy statements relating to the Construction Financing Program as set forth in the Financial Plan; and

WHEREAS, pursuant to the provisions of the Act and the Financial Plan, a proposed project sponsor is eligible to be a Borrower for a Short-Term Loan for purposes of financing the allowable costs of the Project of such Borrower pursuant to the Construction Financing Program, provided each of the following conditions is satisfied in full: (i) in satisfaction of the requirements of the Act (N.J.S.A. 58:11B-9(g)), the Project is listed on the project priority lists for the related funding cycle that have been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20.2; (ii) in satisfaction of the requirements set forth in the Financial Plan, the proposed Borrower has submitted a complete application for the Project; (iii) in satisfaction of the requirements set forth in the Financial Plan, the proposed Borrower has complied with the I-Bank's Credit Policy, as formally adopted by the I-Bank; (iv) in satisfaction of the requirements of the Financial Plan, the Project (or, at a minimum, an operable segment thereof) has been certified for funding by the Commissioner of the NJDOT and the I-Bank; (v) the Project is in the fundable range in the forthcoming funding cycle given the Project's rank and the anticipated availability of I-Bank monies to fund transportation projects; and (vi) the proposed Borrower has not previously received a Short-Term Loan through the Construction Financing Program for the same project scope (exclusive of a Short-Term Loan made solely for the purpose of extending the term of a prior Short-Term Loan) (collectively, the "Construction Financing Program Conditions Precedent"); and

WHEREAS, it is the desire of the I-Bank, subject to the terms and provisions of (i) the Act, (ii) the Financial Plan and (iii) this Resolution, to authorize the implementation, for State Fiscal Year

2019 (“SFY2019”), of the Construction Financing Program for the New Jersey Transportation Bank of the I-Bank (the “SFY2019 Construction Financing Program”); and

WHEREAS, there has been appropriated to the I-Bank, during State Fiscal Year 2018, the sum of \$22,600,000 and it currently is anticipated by the I-Bank that an additional sum of \$22,600,000 will be appropriated to the I-Bank during SFY2019 (each such appropriation being referred to collectively herein as the “Appropriation”), which Appropriation, as well as any investment earnings thereon, shall be available to the I-Bank for purposes of funding the various transportation financing programs of the I-Bank pursuant to the Act, as well as certain administrative expenses related to such transportation financing programs of the I-Bank, and a portion of such Appropriation, in an amount that shall be determined by any Authorized Officer, in his or her sole discretion, shall be deposited and held in a segregated fund that is entitled “Interim Transportation Financing Program Fund” and that has been established by the I-Bank pursuant to the Act (N.J.S.A. 58:11B-9(g)) for the purpose of funding the implementation of the SFY2019 Construction Financing Program; and

WHEREAS, with respect to the SFY2019 Construction Financing Program of the I-Bank and other future Construction Financing Programs of the I-Bank for the New Jersey Transportation Bank (collectively, the “Current and Future Construction Financing Programs”), it is the desire of the I-Bank to explore, as an additional source of funding for the Current and Future Construction Financing Programs, the procurement by the I-Bank of a revolving line of credit or other similar financial instrument, either through a competitive or negotiated process, from a commercial bank (the “Credit Instrument”; the Appropriation and the Credit Instrument shall be referred to collectively herein as the “Available Funds”), all as permitted pursuant to the provisions of the Act (N.J.S.A. 58:11B-9(g)) and anticipated by the Financial Plan, and in furtherance of such exploration, the I-Bank, through its Authorized Officers (as hereinafter defined), desires to (i) discuss and explore potential structural, collateral and credit features relating to a Credit Instrument with one or more banking corporations, having membership in the federal depository insurance corporation, and/or (ii) prepare and distribute a Request for Qualifications or a Request for Proposals, seeking proposals from qualified providers of a Credit Instrument; and

WHEREAS, it is the desire of the I-Bank that, if a Borrower is eligible to receive financing from the SFY2019 Construction Financing Program for a Project that includes multiple operable segments, the Borrower may receive a single, combined Short-Term Loan for such Project, provided that (i) the Borrower has submitted to the I-Bank and the NJDOT a complete application with respect to the Project, (ii) the I-Bank shall not be obligated to disburse Available Funds pursuant to such Short-Term Loan with respect to any operable segment of a given Project until such operable segment and the Project costs applicable thereto shall have been certified by the NJDOT and the I-Bank, as provided herein, and (iii) the Borrower otherwise satisfies each of the other requirements of the Act and the Financial Plan applicable thereto and the applicable terms of this Resolution; and

WHEREAS, it is the desire of the I-Bank to establish such additional terms and provisions of the SFY2019 Construction Financing Program, including, without limitation, (i) the interest rate applicable to each SFY2019 Short-Term Loan, (ii) the maturity with respect to each SFY2019 Short-Term Loan, and (iii) all fees applicable to each SFY2019 Short-Term Loan and the Project financed

thereby, all in a manner consistent with the applicable provisions of (i) the Act and (ii) the Financial Plan.

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

Section 1. Authorization, Establishment and Implementation of the SFY2019 Construction Financing Program. The Board hereby authorizes and directs the establishment and implementation of the SFY2019 Construction Financing Program, subject to compliance by the I-Bank with each of the following requirements:

- (a) Each Short-Term Loan made pursuant to the SFY2019 Construction Financing Program shall be funded solely from the Available Funds applicable thereto and available therefor. The Authorized Officers are each hereby severally authorized and directed, after consultation with the I-Bank's Professional Advisors (as hereinafter defined), to determine, in his or her sole discretion, the particular Available Funds that shall be allocated to, and shall be the source of funding for, any given Short-Term Loan made pursuant to the SFY2019 Construction Financing Program.
- (b) Each Short-Term Loan made pursuant to the SFY2019 Construction Financing Program, and each Project (including each operable segment thereof) funded thereby, shall comply fully with the provisions of the Act and the Financial Plan applicable thereto, as well as the applicable terms of this Resolution.
- (c) No Short-Term Loan shall be made pursuant to the SFY2019 Construction Financing Program unless and until the Construction Financing Program Conditions Precedent applicable to a given Borrower and Project have been satisfied, in full, in satisfaction of the requirements of the Act, the Financial Plan and this Resolution.
- (d) Each Short-Term Loan made pursuant to the SFY2019 Construction Financing Program shall be made pursuant to the terms and provisions of the Loan Instruments, as defined in Section 2 hereof, which Loan Instruments shall include and address the requirements hereof, including, without limitation, those requirements as set forth in Sections 3, 4 and 5 hereof.

Section 2. The Loan Instruments and the Terms and Provisions Thereof. Any Short-Term Loan made by the I-Bank as part of the SFY2019 Construction Financing Program shall be evidenced by (i) a note or other appropriate obligation of the Borrower to be issued by the Borrower to the I-Bank (the "Obligation") in order to evidence and secure such Borrower's Short-Term Loan repayment and other obligations, and (ii) any other documentation as shall be deemed necessary and appropriate (collectively, the "Loan Instruments") by the Chairman of the I-Bank, the Vice Chairman of the I-Bank and/or the Executive Director of the I-Bank, or any other person or persons designated by the Board by resolution to act on behalf of the I-Bank, but in each case subject to the limitations of the by-laws 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(collectively, “Legal Counsel”) . Each Obligation shall be in substantially the form attached hereto as Exhibit A, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Legal Counsel, with such approval by the Authorized Officer of such revisions and modifications thereto being evidence by the signed receipt of such Obligation by such Authorized Officer. The Loan Instruments shall include such terms and provisions relating to the SFY2019 Construction Financing Program as shall be determined by an Authorized Officer, after consultation with Legal Counsel, as being necessary and appropriate in connection with (i) the satisfaction of the requirements of the Act and the Financial Plan applicable thereto, and (ii) the implementation of the applicable terms of this Resolution, including, without limitation, each of the following terms and provisions:

- (a) Each Short-Term Loan shall be in the stated principal amount as determined in accordance with Section 3 hereof;
- (b) Each Short-Term Loan shall bear interest at a rate that shall be determined in accordance with the Interest Rate Calculation (as defined in Section 4 hereof);
- (c) Each Short-Term Loan shall have a maturity date that shall be no later than the applicable date set forth in Section 5 hereof;
- (d) Each Short-Term Loan shall be subject to the imposition of an administrative fee in the amount of two percent (2%) of the total estimated project cost for the review of the application, technical submissions, and payment requisitions applicable to a given Project and representing a portion of the cost of such Project (the “Administrative Fee”); and
- (e) The Loan Instruments with respect to each Short-Term Loan shall include, as applicable, terms and provisions relating to the funding of a Project with multiple operable segments via a single Short-Term Loan and the proper disbursement of such Short-Term Loan proceeds for the funding of each Project operable segment.

Section 3. Principal Amount. The principal amount of each Short-Term Loan (and the stated principal amount of the Obligation issued by the Borrower in connection with such Short-Term Loan), made as part of the SFY2019 Construction Financing Program, shall not exceed \$10,000,000, unless a higher principal amount thereof is authorized by official action of the Board at a future meeting thereof. For purposes of determining, at any time, the outstanding principal amount of a Short-Term Loan (and the Obligation issued by the Borrower in connection therewith), such outstanding principal amount shall equal the aggregate of all disbursements of proceeds thereof for Project costs that have been made by the I-Bank as of the date of such determination inclusive of the Administrative Fee.

Section 4. Interest Rate Calculation. The rate of interest owed and ultimately to be paid by a Borrower to the I-Bank with respect to the repayment of a Short-Term Loan made as part of

the SFY2019 Construction Financing Program 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 (i) the policy goals of the I-Bank, as set forth in the Financial Plan and this Resolution, and (ii) the market as of the respective dates on which each disbursement of the Short-Term Loan is made by the I-Bank to the Borrower:

- (a) **Appropriation Rate:** With respect to any portion of a Short-Term Loan that is sourced from amounts made available to the I-Bank pursuant to the Appropriation, 0.00%;
- (b) **Credit Instrument Rate:** With respect to any portion of a Short-Term Loan that is sourced from amounts made available to the I-Bank pursuant to a Credit Instrument, a rate to be determined by the I-Bank, pursuant to and in compliance with the future approval by the Board of any such Credit Instrument as required by Section 11 hereof, which rate shall be commensurate with the cost to the I-Bank of obtaining funds from and pursuant to such Credit Instrument for the purpose of making such Short-Term Loan or portion thereof;
- (c) **Blended Rate:** With respect to each Short-Term Loan, and in a manner consistent with the terms of the Financial Report, the Interest Rate Calculation is anticipated by the I-Bank to produce an overall rate of interest, applicable to the entire Short-Term Loan, consisting of a range of between (i) 0.00% and (ii) 50% of the cost of the Credit Instrument, all as shall be determined by an Authorized Officer, in his or her sole discretion, based upon the source of the Available Funds that shall be available to the I-Bank for purposes of Short-Term Loan disbursements, which rate range is reflective of an anticipated source of Available Funds consisting of a range of between (i) 100% and (ii) up to 50% of Appropriation funding (in which case the remaining funds shall be provided from the Credit Instrument funding);
- (d) **Application of Interest to Disbursements for the Administrative Fee:** The portion of the Short-Term Loan that shall finance the Administrative Fee that shall be payable as provided in Section 2(c) hereof may be determined by the Authorized Office, at his or her discretion, to bear interest at a rate of 0.00% as an alternative to the rate of interest that otherwise would be applicable to that portion of the Short-Term Loan pursuant to the provisions of this Section 4;
- (e) **The Impact of Borrower Ratings Upon the Interest Rate Calculation:** Notwithstanding any provision of this Section 4 to the contrary, and pursuant to and in satisfaction of the terms of the Financial Report, in the case of any Borrower with an investment grade rating of less than A3 from Moody's Investors Service, Inc. or A- from either S&P Global Ratings or Fitch Ratings, Inc., such Borrower shall receive a Short-Term Loan that is disbursed exclusively from amounts made available to the I-Bank pursuant to the Appropriation and, therefore, such Short-Term Loan shall bear

interest at a rate of 0.00%, provided that an Authorized Officer determines, in his or her sole discretion, following consultation with the Financial Advisor to the I-Bank, that the funding of a portion of a Short-Term Loan for such Borrower from proceeds of a Credit Instrument, given such a rating, will either (i) materially increase the cost to the I-Bank and the SFY2019 Construction Financing Program of the Credit Instrument funding and/or (ii) result in an objection by the provider of the Credit Instrument. At no point shall loans rated less than A3 from Moody's Investors Service, Inc. or A- from either S&P Global Ratings or Fitch Ratings, Inc., constitute more than 10% of the funds committed by the I-Bank to Transportation Bank Borrowers.

Section 5. Maturity Date. The maturity date with respect to any Short-Term Loan made as part of the SFY2019 Construction Financing Program, including any individual funding disbursement made pursuant thereto, shall not exceed the maximum maturity that is permitted pursuant to the provisions of N.J.S.A. 58:11B-9(g), as such provisions may hereafter be amended and supplemented from time to time.

Section 6. Delegation as to Approval of Borrowers. The Authorized Officers are each hereby severally authorized and directed, after consultation with Legal Counsel, to approve, in his or her sole discretion, the participation of a Borrower in the SFY2019 Construction Financing Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Financial Report applicable thereto, and the applicable terms of this Resolution, including, without limitation, satisfaction by such Borrower of the applicable Construction Financing Program Conditions Precedent.

Section 7. Delegation as to Project Certification. Prior to the making of any Short-Term Loan with respect to any Project pursuant to the SFY2019 Construction Financing Program, the Authorized Officers are each hereby severally authorized and directed to certify such Project for funding through the SFY2019 Construction Financing Program in accordance with the provisions of the Financial Report; provided, however, that as a condition to such certification by an Authorized Officer, (i) the proposed Project, or at least one operable segment thereof (as provided pursuant to the provisions of Section 8 hereof), previously has been certified for funding by the Commissioner of the NJDOT ("Commissioner") or the Commissioner's designee, and (ii) such proposed Project (including each of the operable segments thereof) shall otherwise qualify for funding through the SFY2019 Construction Financing Program pursuant to the terms and provisions of the Act and the Financial Report applicable thereto, and the applicable terms and provisions of this Resolution.

Section 8. Operable Segments of a Project. In the event that a portion, but not all, of a Project that is to be the subject of a Short-Term Loan pursuant to the SFY2019 Construction Financing Program has been certified for funding by the Commissioner, as well as by the I-Bank pursuant to the provisions of Section 7 hereof, the Authorized Officers are each hereby severally authorized and directed to extend a Short-Term Loan to such Borrower for such Project in a stated principal amount that may equal, but shall not exceed, the total estimated allowable costs of such Project (subject to the further limitations set forth in the Act, the applicable provisions of the

Financial Report and this Resolution, including, without limitation, Section 3 of this Resolution); provided, however, that the Loan Instruments relating to such Short-Term Loan shall provide that the I-Bank shall not disburse to the Borrower any proceeds of such Short-Term Loan with respect to those costs of the Project that have not been certified by the Commissioner, and such prohibition upon the disbursement by the I-Bank to the Borrower of such proceeds of the Short-Term Loan shall continue to apply until such date as such Project costs have been certified by the Commissioner.

Section 9. Delegation as to Execution of Documents. Each Authorized Officer is hereby severally authorized and directed to execute (i) any Loan Instrument to which the I-Bank is a party (the “I-Bank Loan Instruments”) and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the participation of any Borrower in the SFY2019 Construction Financing Program. Upon execution of the I-Bank Loan Instruments by an Authorized Officer, the Secretary and the Assistant Secretary of the I-Bank Board or their designee 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.

Section 10. Report to the Board. At the meeting of the Board that is scheduled to occur during the month next succeeding the month during which execution and delivery is completed with respect to Loan Instruments relating to a Short-Term Loan made by the I-Bank to a Borrower pursuant to the SFY2019 Construction Financing Program, the Executive Director of the I-Bank shall provide a report to the Board concerning the details of such transaction.

Section 11. Delegation as to Certain Actions Relating to the Procurement of a Credit Instrument. Each Authorized Officer is hereby severally authorized and directed to take such actions that such Authorized Officer, in his or her respective sole discretion, after consultation with Legal Counsel, and the Financial Advisor to the I-Bank (collectively, the “Professional Advisors”), deems necessary, convenient or desirable in order to undertake and complete the following with respect to the anticipated procurement by the I-Bank of a Credit Instrument:

- (a) Engage in discussions with one or more banking corporations, having membership in the federal depository insurance corporation, for the purpose of exploring potential structural, collateral and credit features relating to a Credit Instrument in favor of the I-Bank for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs, and include in such discussions, at the discretion of such Authorized Officer, one or more of the Professional Advisors; and/or
- (b) Prepare and distribute, in consultation with the Professional Advisors, a Request for Qualifications or a Request for Proposals (in either case, the “RFP”) to banking corporations, having membership in the federal depository insurance corporation, for the establishment of a Credit Instrument in favor of the I-Bank for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs, in such amount as shall be determined by such Authorized

Officer to be necessary and appropriate for such purpose. Such RFP shall be prepared and distributed pursuant to and in compliance with I-Bank Policy and Procedure No. 4.00, entitled "Procurement of Goods and Services".

Notwithstanding the above terms and provisions of this Section 11:

- (c) The specific structural, collateral and credit features of the Credit Instrument that may be discussed by an Authorized Officer with one or more banking corporations, and any contractual commitment by the I-Bank with respect to such structural, collateral and credit features, shall be subject to the authorization and approval thereof by the Board at a future meeting thereof; and
- (d) The award of any contract to a banking corporation that has submitted to the I-Bank a response to RFP for the provision of a Credit Instrument for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs shall be made only upon authorization by official action of the Board at a future meeting thereof.

Section 12. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his or her respective sole discretion, after consultation with Legal Counsel, deems necessary, convenient or desirable in order to affect the transactions contemplated hereby.

Adopted Date:	June 18, 2018
Motion Made By:	Mr. Robert Long
Motion Seconded By:	Mr. Michael Kanef
Ayes:	7
Nays:	0
Abstentions:	0

EXHIBIT A

FORMS OF OBLIGATION

Appendix A

[NAME OF MUNICIPALITY]
NOTE
RELATING TO:
THE TRANSPORTATION BANK SHORT-TERM LOAN PROGRAM
OF THE NEW JERSEY INFRASTRUCTURE BANK

\$ _____, 201_

NJTB - STFP-19-__

FOR VALUE RECEIVED, _____, a municipal corporation duly created and validly existing pursuant to the laws of the State (as hereinafter defined), and its successors and assigns (the “Borrower”), hereby promises to pay to the order of the **NEW JERSEY INFRASTRUCTURE BANK**, a public body corporate and politic with corporate succession, duly created and validly existing under and by virtue of the Act (as hereinafter defined) (the “I-Bank”), the Principal (as hereinafter defined), together with all unpaid accrued Interest (as hereinafter defined), fees, late charges and other sums due hereunder, if any, in lawful money of the United States of America, on the Maturity Date (as hereinafter defined) or the date of any optional prepayment or acceleration in accordance with the provisions of this note (this “Note”).

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

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

“**Administrative Fee**” means a fee of up to four-tenths of one percent (.40%) of that portion of the Principal identified in clause (i) of the definition thereof (as set forth in this Section 1), or such lesser amount, if any, as the I-Bank may determine from time to time.

“**Anticipated Financing Program**” means the financing program of the I-Bank, pursuant to which the I-Bank will issue its I-Bank Bonds for the purpose of financing, on a long term basis, the Project and other projects of certain qualifying borrowers.

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

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

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

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

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

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

“Financial Plan” means the “Project Prioritization System, Project Priority List, and Financial Plan,” dated May 2018. [Elaborate and cite the Act.]

“I-Bank Bonds” means the revenue bonds of the I-Bank to be issued, as part of the Anticipated Financing Program.

“I-Bank Portion” means, on any date, an amount equal to the fifty percent (50%) of the Principal of the Loan on such date, exclusive of that portion of the Principal of the Loan that is allocable to the Administrative Fee.

“I-Bank Portion Interest Rate” means, with respect to each disbursement of proceeds of the I-Bank Portion of the Loan, (a) to the extent that such disbursement is funded from moneys appropriated to the I-Bank, for the Construction Financing Loan Program of the I-Bank, pursuant to an appropriations act of the State, the I-Bank Portion Interest Rate shall equal 0.00%, (b) to the extent that such disbursement is funded from available moneys of the I-Bank that are neither (i) appropriated to the I-Bank as provided by the preceding clause (a), nor (ii) borrowed from a financial institution pursuant to a line of credit or other similar financial instrument as provided by the succeeding clause (c), the I-Bank Portion Interest Rate shall equal the interest rate that is published as either the Thompson Financial TM3 “AAA” Municipal Market Data General Obligation Index (Tax-Exempt) or the “BVAL” Index (relating to general obligation, tax exempt credits) of Bloomberg L.P. (or any subsidiary thereof), (with the particular index that is used by the I-Bank to be selected by an Authorized Officer of the I-Bank) or, if such indexes are no longer published on such date, such successor index as may be selected by an Authorized Officer of the I-Bank, in each case for the number of years that corresponds to the length of time from the date such disbursement is made available to the Borrower by the I-Bank to the Maturity Date, rounding up to the nearest year, or (c) to the extent that such disbursement is funded from available moneys of the I-Bank borrowed from a financial institution pursuant to a line of credit or other similar financial instrument, the I-Bank Portion Interest Rate shall equal the actual rate of interest established by the applicable financial institution pursuant to a competitive or negotiated solicitation by the I-Bank with respect to such line of credit or other financial instrument.

“Interest” means the interest charged on the outstanding Principal of the Loan at a rate of (a) with respect to the I-Bank Portion of the Principal, the applicable I-Bank Portion Interest Rate and (b) with respect to the LAIF Portion of the Principal, 0.00%, and payable by the Borrower to the I-Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan pursuant to the terms of this Note, on the date of such optional prepayment or acceleration, as the case may be.

“LAIF Portion” means, on any date, an amount no less than the aggregate of (i) fifty percent (50%) of the Principal of the Loan on such date, exclusive of that portion of the Principal of the Loan that is allocable to the [NJDOT Loan Origination Fee].

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

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

“Maturity Date” means June 30, 2022, or (i) such earlier date as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the I-Bank to be the date of the closing for the Anticipated Financing Program (subject, in all events, to the rights and remedies of the I-Bank pursuant to, respectively, the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the I-Bank of all covenants obligations of the Borrower hereunder, including, without limitation and in particular, the covenant obligation of the Borrower set forth in Section 3(a) hereof), or (ii) such later date (subject to the then-applicable limits of the Act) to be determined by an Authorized Officer of the I-Bank in his or her sole discretion, pursuant to a written certification thereof, as acknowledged and approved by an Authorized Officer of the Borrower.

“NJDOT” means the New Jersey Department of Transportation.

“Principal” means the principal amount of the Loan, at any time being the lesser of (i) _____ Dollars (\$ _____), or (ii) the aggregate outstanding amount as shall actually be disbursed to the Borrower by the I-Bank pursuant to one or more Loan Disbursement Requisitions, which Principal shall be payable by the Borrower to the I-Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan pursuant to the terms of this Note, on the date of such optional prepayment or acceleration, as the case may be.

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

“State” means the State of New Jersey.

SECTION 2. Representations of the Borrower. The Borrower represents and warrants to the I-Bank:

(a) **Organization.** The Borrower: (i) is a municipal corporation duly created and validly existing under and pursuant to the Constitution and laws of the State; (ii) has full legal right and authority to execute, attest and deliver this Note, to sell this Note to the I-Bank, and to perform its obligations hereunder, and (iii) has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the issuance of this Note, the sale thereof to the I-Bank and the due performance of its obligations hereunder and (B) the execution, delivery and due performance of all certificates and other instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out and give effect to this Note.

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

(c) Pending Litigation. There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that, if adversely determined, would adversely affect (i) the condition (financial or otherwise) of the Borrower, (ii) the ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iii) the authorization, execution, attestation or delivery of this Note, (iv) the issuance of this Note and the sale thereof to the I-Bank, and (v) the Borrower's ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Note.

(d) Compliance with Existing Laws and Agreements; Governmental Consent. (i) The due authorization, execution, attestation and delivery of this Note by the Borrower and the sale of this Note to the I-Bank, (ii) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder, including, without limitation, the repayment of the Loan and all other amounts due hereunder, and (iii) the undertaking and completion of the Project, will not (A) other than the lien, charge or encumbrance created by this Note and by any other outstanding debt obligations of the Borrower that are at parity with this Note as to lien on, and source and security for payment thereon from, the general tax revenues of the Borrower, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Project 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 Project or its properties or operations are subject. The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the authorization, execution, attestation and delivery of this Note, for the sale of this Note to the I-Bank, for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Note, and for the undertaking and completion of the Project.

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

SECTION 3. Covenants of the Borrower.

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

(b) Full Faith and Credit Pledge. To secure the repayment obligation of the Borrower with respect to this Note, and all other amounts due under this Note, the Borrower unconditionally and irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of any and all obligations and amounts due under this Note. The Borrower acknowledges

that, to assure the continued operation and solvency of the I-Bank, the I-Bank may, pursuant to and in accordance with Section 12a of the Act, require that if the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan repayments, any Interest or any other amounts due pursuant to this Note, an amount sufficient to satisfy such deficiency shall be paid by the State Treasurer to the I-Bank from State-aid otherwise payable to the Borrower.

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

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

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

(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it shall keep accurate records and accounts for its Project, separate and distinct from its other records and accounts, which shall be audited annually by an independent registered municipal accountant and shall be made available for inspection by the I-Bank upon prior written notice. The Borrower shall permit the I-Bank to inspect the Project.

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

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

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

(a) The I-Bank shall effectuate the Loan to the Borrower by making one or more disbursements to the Borrower promptly after receipt by the I-Bank of a Loan Disbursement Requisition and the approval of such Loan Disbursement Requisition by an Authorized Officer of the I-Bank or designee thereof, each

such disbursement and the date thereof to be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto; provided, however, that the approval by the I-Bank of any Loan Disbursement Requisition for disbursement pursuant to the terms hereof shall be subject to the terms, conditions and limitations as set forth in Section 4(b) of this Note. It is expected that the proceeds of the Loan will be disbursed to the Borrower in accordance with Exhibit C hereto, as Exhibit C shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit C or an additional Exhibit C, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of "Project" as set forth herein). The latest date upon which the Borrower may submit to the I-Bank a Loan Disbursement Requisition is the business day immediately preceding the date fixed by the I-Bank for the sale of its bonds in connection with the Anticipated Financing Program, or such alternative date as shall be identified by the I-Bank for the Borrower in writing. On the Maturity Date, the Borrower shall repay the Loan to the I-Bank in an amount equal to: (i) the Principal; (ii) the Interest; (iii) the Administrative Fee, if any; and (iv) any other amounts due and owing pursuant to the provisions of this Note. The Borrower may prepay the Loan obligations hereunder, in whole or in part, upon receipt of the prior written consent of an Authorized Officer of the I-Bank. Each payment made to the I-Bank shall be applied to the payment of, first, the Interest then due and payable, second, the Principal, third, the Administrative Fee, if any, fourth, any late charges, and, finally, any other amount due pursuant to the provisions of this Note. In the event that the repayment obligation set forth in this Note is received by the I-Bank later than the Maturity Date, a late fee shall be payable to the I-Bank in an amount equal to the greater of twelve percent (12%) per annum or the prime rate as published in the Wall Street Journal on the Maturity Date plus one half of one percent per annum on such late payment from the Maturity Date to the date it is actually paid; provided, however, that any late payment charges incurred hereunder shall not exceed the maximum interest rate permitted by law. Notwithstanding the provisions of this Section 4(a) to the contrary, the Borrower hereby acknowledges and agrees that, on the date of issuance of this Note, a disbursement shall be made and shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto in the amount recorded thereon. Such disbursement shall be made for the purpose of funding fifty percent (50%) of the [NJDOT Loan Origination Fee]. Such disbursement shall be paid by the I-Bank on behalf of the Borrower directly to the NJDOT in satisfaction of the provisions hereof.

(b) Notwithstanding the provisions of this Note to the contrary with respect to the funding, pursuant to this Section 4, of any Loan Disbursement Requisition relating to all or any portion of the Project: (i) the Borrower hereby acknowledges and agrees that the I-Bank shall not, and shall not be required to, commit funds, pursuant to the Construction Financing Loan Program of the I-Bank, to any portion of the Project until such time as the particular portion of the Project in question has been certified for funding by the NJDOT; (ii) no Loan Disbursement Requisition shall be approved by the I-Bank for disbursement pursuant to this Section 4 unless and until the portion of the Project to which such Loan Disbursement Requisition relates has been certified for funding by the NJDOT; (iii) no Loan Disbursement Requisition shall be approved by the I-Bank for disbursement pursuant to this Section 4 unless and until the Appropriation Condition has been satisfied to an extent and in an amount that is sufficient to fund, in the aggregate, the particular Loan Disbursement Requisition in question and all prior Loan Disbursement Requisitions; and (iv) the I-Bank has no obligation pursuant to this Note to make all or any portion of any Loan Disbursement Requisition disbursement pursuant to the provisions of this Section 4 if the Borrower lacks the authority to pay interest on this Note in an amount equal to the I-Bank Portion Interest Rate.

SECTION 5. Unconditional Obligations. The direct, general obligation of the Borrower to make the Loan repayments and all other payments required hereunder and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner whatsoever while any Loan repayments, or any other payments due hereunder, remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of

consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the I-Bank to perform and observe any agreement or any duty, liability or obligation arising out of this Note, or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might have against the I-Bank or any other party; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

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

SECTION 7. Remedies upon Event of Default. Whenever an Event of Default shall have occurred and be continuing pursuant to the terms hereof, the Borrower hereby acknowledges and agrees to the rights of the I-Bank to take any action permitted or required at law or in equity to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder. If an Event of Default shall have occurred, the Borrower hereby acknowledges and agrees that the I-Bank shall have the right to (i) immediately cease disbursements of the proceeds of the Loan, and/or (ii) declare all Loan repayments and all other amounts due hereunder to be due and payable immediately without further notice or demand. The Borrower hereby acknowledges and agrees that no remedy herein is intended to be exclusive, and every remedy shall be cumulative and in addition to every other remedy given under this Note or now or hereafter existing at law or in equity. The Borrower hereby further acknowledges and agrees that no delay or omission by the I-Bank to exercise any remedy or right accruing upon any Event of Default shall impair any such remedy or right or shall be construed to be a waiver thereof, but any such remedy or right may be exercised as often as may be deemed expedient. The Borrower hereby further acknowledges and agrees that, pursuant to the “New Jersey Infrastructure Bank Credit Policy”, adopted by the Board of Directors of the I-Bank, and as further amended and supplemented from time to time (the “Credit Policy”), during such time as an Event of Default has occurred and is continuing hereunder, the Borrower shall be ineligible for additional financial assistance from the I-Bank, in addition to certain other consequences set forth in the Credit Policy. The Borrower hereby agrees that upon demand it shall pay to the I-Bank the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred in the collection of Loan repayments or any sum due hereunder or in the enforcement of the observation or performance of any obligations or agreements of the Borrower upon an Event of Default. Any moneys collected by the I-Bank pursuant to this Section 7 shall be applied first to pay any attorneys’ fees or other fees and expenses owed by the Borrower.

SECTION 8. Certain Miscellaneous Provisions. The Borrower hereby acknowledges and agrees as follows: (a) all notices hereunder shall be deemed given when hand delivered or when mailed by registered or certified mail, postage prepaid, to the Borrower at the following address: [Name and Address

of Borrower, Attention: Name of Authorized Officer]; and to the I-Bank at the following address: New Jersey Infrastructure Bank, 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648-2201, Attention: Executive Director; (b) this Note shall be binding upon the Borrower and its successors and assigns; (c) in the event any provision of this Note is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof; (d) the obligations of the Borrower pursuant to the terms of this Note may not be assigned by the Borrower for any reason, unless the I-Bank shall have approved said assignment in writing; (e) this Note may not be amended, supplemented or modified without the prior written consent of the I-Bank; (f) this Note shall be governed by and construed in accordance with the laws of the State; (g) the Borrower shall, at the request of the I-Bank, execute and deliver such further instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Note; and (h) whenever the Borrower is required to obtain the determination, approval or consent of the I-Bank pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the I-Bank in its sole and absolute discretion.

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

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

[NAME OF BORROWER]

[SEAL]

ATTEST:

By: _____
Mayor

Clerk

By: _____
Chief Financial Officer

RESOLUTION NO. 18 - 43

**RESOLUTION GUARANTEEING REMITTANCE OF
I-BANK SHARE OF SOCIAL SECURITY COVERAGE AND
PENSION CONTRIBUTIONS OF ITS EMPLOYEES**

WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”) was organized and exists 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.*) (the “Act” attached hereto as Appendix 1), as an independent authority, “in but not of” the Department of Environmental Protection (“DEP”) to provide essential governmental services for the purpose of making loans to local government units or water purveyors to finance the cost of wastewater or water supply projects; and

WHEREAS, pursuant to the Act, specifically, Section 5(h) thereof, the I-Bank is an independent state authority with the power to, among other things, hire, promote and fire its employees without regard to Title 11; and

WHEREAS, notwithstanding the I-Bank’s authority to administer all aspects of its payroll and human resource functions, since its inception in 1986, the DEP has provided Human Resource services to the I-Bank, including but not limited to administration, payroll and pension and benefits; and

WHEREAS, in October 2016, P.L. 2016, c. 56 amended the Enabling Act to expand the scope of its authority, granting the I-Bank the authorization to finance certain local transportation infrastructure projects and establishing the I-Bank as an independent authority “in but not of” Treasury subject to the appropriation of fund for loans and administrative expenses; and

WHEREAS, on January 16, 2018, when the I-Bank was officially made operable by passage of appropriations that fund the administrative expenses of the I-Bank, the DEP and the I-Bank entered a Memorandum of Agreement whereby the DEP shall terminate provision of HR services to the I-Bank effective upon and in accordance with the terms of a successor agreement for the provision of HR services; and

WHEREAS, it is the intention of the I-Bank to continue to provide pension and benefits to its employees through the New Jersey State administered retirement systems and Health Benefit systems under a successor agreement for the provision of HR services; and

WHEREAS, in order for the I-Bank to assume its role as an employer participating in the public retirement systems administered by the Division of Pensions and Benefits, it must be included in the State of New Jersey’s agreement with the Social Security Administration (“Section 218 Agreement”); and

WHEREAS, the Division of Pensions and Benefits requires that, in order for the I-Bank to be included in the Section 218 Agreement, the I-Bank must guarantee the remittance of the I-Bank’s share of Social Security coverage and the pension contributions for its employees by resolution of the Board of Directors.

NOW THEREFORE BE IT RESOLVED, that the I-Bank guarantees the remittance of the I-Bank's share of Social Security coverage and the pension contributions for its employees.

Adopted Date: June 18, 2018

Motion Made By: Mr. Robert Long

Motion Seconded By: Mr. Michael Kanef

Ayes: 7

Nays: 0

Abstentions: 0

RESOLUTION NO. 18 - 44

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING ITS EXECUTIVE DIRECTOR TO EXECUTE DECLARATIONS OF INTENT ON BEHALF OF THE I-BANK FOR WATER BANK AND TRANSPORTATION BANK BORROWER LOANS

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank"), pursuant to and in accordance with (i) the "New Jersey Infrastructure Trust Act," constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be, amended and supplemented (the "Act"), and (ii) regulations that have been, and may in the future be, promulgated pursuant to the Act, intends to finance, from time to time, the acquisition, construction, improvement, repair or reconstruction of all or part of any structure, facility or equipment, or real or personal property, necessary for or ancillary to any of (a) a "wastewater treatment system project," (b) a "water supply project," or (c) a "transportation project" (as each such term is defined, and elaborated upon, in the Act, collectively, the "Projects"); and

WHEREAS, the I-Bank expects to finance certain costs of the Projects by loaning proceeds of I-Bank bonds, notes or other debt obligations (collectively, the "I-Bank Bonds") to various borrowers consisting of (i) certain "local government units" (as defined in the Act) and (ii) certain private entities (collectively, the "Borrowers"), which costs may have been paid, prior to the issuance of the I-Bank Bonds, with funds of the Borrowers that are not borrowed funds; and

WHEREAS, the I-Bank expects to provide long-term financing for costs of the Projects from proceeds of I-Bank Bonds, the interest on which will be excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Internal Revenue Service Treasury Regulations Section 1.150-2 require a formal declaration of intention to reimburse a prior capital expenditure after the expenditure is made with the proceeds of a borrowing; and

WHEREAS, the I-Bank desires to preserve the right to treat an allocation of proceeds of the I-Bank Bonds to the reimbursement of costs of the Projects paid prior to the issuance of the I-Bank Bonds as expenditures for such costs to be reimbursed for purposes of Sections 103 and 141 through 150, inclusive, of the Code, or any successor provisions; and

WHEREAS, the Board of Directors of the I-Bank (the "Board") desires to delegate to the Executive Director of the I-Bank, pursuant to Treasury Regulations Section 150-2, the authority to declare its official intent to reimburse such expenditures; and

WHEREAS, the Board previously had adopted Resolution 99-13 on May 6, 1999 (the "Prior Resolution"), for the purpose of delegating to the Executive Director of the I-Bank, pursuant to Treasury Regulations Section 150-2, the authority to declare its official intent to reimburse expenditures, provided, however, that the current terms and provisions of the Act that authorize the I-Bank to finance Projects for qualifying Borrowers that consist of "transportation projects" (as defined in the Act) are newly enacted provisions and, as such, had not been enacted at the time of the adoption by the Board of the Prior Resolution and, therefore, are outside the scope and intent of the Prior Resolution; and

WHEREAS, it is the desire of the Board, pursuant to this Resolution, to rescind the Prior Resolution and adopt, in its place, a delegation to the Executive Director of the I-Bank, pursuant to Treasury Regulations Section 150-2, of the authority to declare its official intent to reimburse expenditures, which delegation is expansive by its terms to include all Projects that currently are authorized by the terms of the Act so that such delegation shall address the needs of the I-Bank with respect to both its “Water Bank” financing program and its “Transportation Bank” financing program.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the I-Bank, as follows:

Section 1. The Prior Resolution is hereby rescinded.

Section 2. The I-Bank hereby authorizes its Executive Director (or other person who carries out the duties and obligations of the Executive Director, if the Executive Director is, for any reason, unavailable), in his or her sole discretion, after consultation with Bond Counsel to the I-Bank, to execute declarations of intent (the “Declarations of Intent”) on behalf of the I-Bank for Borrower loans, declaring, among other things, the I-Bank’s expectation to reimburse or otherwise finance costs of the Projects with proceeds of I-Bank Bonds.

Section 3. The Declarations of Intent are intended to be a declaration of the I-Bank’s official intent to reimburse the expenditure of such costs of the Projects paid prior to the issuance of any such I-Bank Bonds with the proceeds of borrowings to be incurred by the Borrowers, for purposes of Treasury Regulations Section 150-2, or any successor provision thereto.

Section 4. The Declarations of Intent will set forth information, to the extent deemed necessary or desirable by the Executive Director (or other person who carries out the duties and obligations of the Executive Director, if the Executive Director is, for any reason, unavailable), after consultation with Bond Counsel to the I-Bank, to satisfy the requirements of Treasury Regulations Section 150-2, or any successor provision thereto.

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

Adopted Date: June 18, 2018

Motion Made By: Mr. Robert Long

Motion Seconded By: Mr. Michael Kanef

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 **June 15, 2018**, Executive Director Zimmer joined DOT Commissioner Gutierrez-Scaccetti, Assistant Commissioner Russo, LAIF Director Rankin and representatives from Essex County Department of Public Works and Engineering to discuss financing options for transportation capital projects in Essex County;
- On **June 14, 2018**, Assistant Director Scangarella and Legal and Compliance Officer Karp testified before the Assembly Environment and Solid Waste Committee regarding the Program's annual Appropriation bills and proposed Enabling Act Changes;
- On **June 11, 2018**, Assistant Director Scangarella and Legal and Compliance Officer Karp testified before the Senate Environment and Energy Committee regarding the Program's annual Appropriation bills and proposed Enabling Act Changes;
- On **June 8, 2018**, several NJIB staff members joined DEP Commissioner McCabe and thousands of volunteers throughout the Barnegat Bay watershed to help in the 2018 Barnegat Bay Blitz clean-up;
- On **June 8, 2018**, Assistant Commissioner Putnam was the Keynote speaker and CFO Kaltman participated in a panel discussion at the NJ Alliance for Action's Water Infrastructure Symposium;
- On **May 31, 2018**, Executive Director Zimmer joined DOT Commissioner Gutierrez-Scaccetti, Assistant Commissioner Russo, LAIF Director Rankin and representatives from Middlesex County to discuss financing options for transportation capital projects in Middlesex County;
- On **May 31, 2018**, Assistant Director Scangarella, DEP Assistant Director Chebra and members of his staff met with the Borough of Freehold to discuss potential project financing;
- On **May 30, 2018**, Vice-Chairman Briant and Executive Director Zimmer met with members of the Monmouth County Engineering, Finance and Administration Departments to discuss potential NJIB Financing for bridge projects in Monmouth County;
- On **May 30, 2018**, Executive Director Zimmer, Assistant Director Scangarella and Legal and Compliance Officer Karp held a conference call with DOT Assistant Commissioner Russo, DOT Division of Multimodal Services Director Minutoli and members of their staffs to discuss DOT's UAS/Drone program;
- On **May 29, 2018**, Executive Director Zimmer participated on the EFAB Regionalization working group conference call;
- On **May 25, 2018**, Executive Director Zimmer and Assistant Director Scangarella met with NJ Office of Legislative Services, Senior Fiscal Analyst, Patrick Brennan to discuss the NJIB Transportation Bank Financing Program;
- On **May 22, 2018**, Executive Director Zimmer, Assistant Director Scangarella conducted a webinar with the NJ League of Municipalities (NJLOM) to educate NJLOM members on the NJIB funding opportunities;
- On **May 21, 2018**, CFO Kaltman represented the I-Bank at the Offices of McCarter and English to facilitate the closing of the I-Bank's Series 2018A-1 and 2018B-1 Bonds.
- On **May 15 – May 16, 2018**, Vice-Chairman Briant and Executive Director Zimmer attended meetings with Congressmen and Legislative Directors in Washington, DC to review the NJ Water Bank Program;

- On **May 14, 2018**, Executive Director Zimmer, CFO Kaltman met with representatives from SPI Partners to discuss the NJ Water Bank Program;
- On **May 14, 2018**, Executive Director Zimmer, Assistant Director Scangarella and DEP Assistant Director Chebra and members of his staff participated on a conference call with Rutgers CHP to discuss upcoming projects;
- On **May 11, 2018**, Executive Director Zimmer, Assistant Director Scangarella, Legal and Compliance Officer Karp and DEP Assistant Director Chebra met with representatives from the Office of Legislative Services and various Legislative aides to discuss the Program's annual Appropriation bills and proposed Enabling Act changes;
- Program staff held and attended various conference calls to discuss pre-planning and prospective financing program participation by:
 - Verona Township, Woodbridge Township, Monroe MUA; Pre-Planning
 - Lower Township; Pre-Finance
- 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;
- I-Bank Senior Staff and Bond Counsel Rich Nolan are holding discussions with senior staff members of DCA's Division of Local Government Services (DLGS) regarding draft regulations to address the application and implications of the Sewerage Authorities Cap Law which limits the percentage of growth in fee funded appropriations in the annual budget of a sewerage authority to 2%;
- Assistant Director and COO Scangarella is serving as the point person for the I-Bank, holding regular meetings with counterparts at NJDOT regarding the development and adoption of Program regulations for the Transportation Bank;
- Compliance Officer Karp is serving as the point person for the I-Bank holding regular meetings with counterparts at NJDEP regarding the amendment and re-adoption of Program regulations for the Water Bank;
- I-Bank senior staff are engaged in discussions with DCA-DLGS senior staff regarding amendments to the Local Bond Law that would allow Local Government Unit transportation projects funded through the I-Bank to enjoy the same efficient DLGS program approval process as that which applies to environmental projects; and
- **The next Board meeting is scheduled for Thursday, July 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.

- On **June 11, 2018**, A letter was sent to Mr. Mark B. Shoemaker, Esq. regarding Woolwich Township regarding the NJ Water Bank Loan Application S340432-01 Infrastructure Redeveloper Agreement;
- On **June 11, 2018**, A letter was received from Treasurer Muoio approving Volume Cap Certifications for the I-Bank May Bond Sale;
- On **June 1, 2018**, A letter was sent to Treasurer Muoio requesting approval for the I-Bank May Bond Sale Certification as to Volume Cap;

- On **June 1, 2018**, A letter was sent to Treasurer Muoio returning unused volume cap allocation from the I-Bank May Bond Sale;
- 5.02 Certificates were sent to the following Program borrowers:

2015A-1	Brigantine City	W0103001-500
2015A-1	Ocean Twp	W1520001-006
2015A-1	Ocean Twp	W1520001-500
2015A-1	Ocean Twp	S340112-05/06
2016A-2	Washington Twp MUA	W0818004-009/010/011/012
2016A-2	Washington Twp MUA	S340930-03/04

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

RESOLUTION NO. 18 - XX

**RESOLUTION AUTHORIZING APPROVAL OF THE
MAY 2018 TREASURER'S REPORT**

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank") has reviewed the Treasurer's Report for May 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 May 2018 and requests that the same be entered into the record.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

RESOLUTION NO. 18 - XX

**RESOLUTION
AUTHORIZING REALLOCATION OF CERTAIN
DISASTER RELIEF EMERGENCY FINANCING PROGRAM EXPENSES**

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, on August 8, 2013, the Board of Directors of the I-Bank (Board) authorized the Disaster Relief Emergency Financing Program (a.k.a. "Statewide Infrastructure Loan Program" or "SAIL") in Resolution No. 13-47 wherein authorization was given to issue loans to qualified borrowers through the SAIL Program; and

WHEREAS, on December 12, 2013, the Board approved Resolution No. 13-66 authorizing the Executive Director to, among other things, execute an agreement with Grant Thornton for engineering consulting services for projects seeking financing through SAIL for costs sought to be reimbursed by FEMA (Contract); and

WHEREAS, on December 12, 2013, the Board Approved Resolution 13-73 authorizing the Executive Director to expend Available I-Bank Revenues of up to \$2 million per State Fiscal Year in the current State Fiscal Year and in each of the three succeeding State Fiscal Years in order to fund all or a portion of underwriting fees and costs of issuance incurred by the I-Bank in connection with the implementation and administration of SAIL, among other things; and

WHEREAS, the above provisions anticipated that all SAIL projects related to Superstorm Sandy would be completed by the end of State Fiscal Year 2017; and

WHEREAS, additional time was required for some of the projects to be designed, approved by FEMA and constructed; and

WHEREAS, in August 2016, the I-Bank's enabling act was amended to allow projects to participate in the SAIL Program provided such projects appear on the SAIL Eligibility List submitted to the Legislature within three (3) full fiscal years of a declared disaster; and

WHEREAS, in SFY2018, the I-Bank incurred expenses of \$41,110.01 on behalf of current SAIL Program participants pursuant to the Contract with Grant Thornton for project management tasks related to five (5) SAIL projects, through June 30, 2018, in anticipation of allocating and collecting each SAIL participant's pro-rata portion of these expenses upon completion of that project; and

WHEREAS, it is the desire of the Board for the I-Bank to continue to facilitate the SAIL Program by providing forgiveness of the above incurred administrative expenses that have not as yet been billed to the SAIL Program participants.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the New Jersey Infrastructure Bank directs the Executive Director to account for \$41,110.01 of Contract disbursements to Grant Thornton for SAIL program management administration services, which have not yet been billed or allocated by the I-Bank to SAIL Program participants, as SAIL administrative expenses in SFY2018.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

RESOLUTION No. 18 - xx

**RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AWARDING A CONTRACT FOR
INFORMATION TECHNOLOGY MANAGED SERVICES**

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, the I-Bank desires the services of an IT Managed Services Provider to maintain its existing computers, internet servers and computer networks; and

WHEREAS, Resolution No. 18-35, approved by the Board on May 10, 2018 authorized the Executive Director to solicit competitive proposals for IT Managed Services; and

WHEREAS, the I-Bank competitively procured proposals through formal advertisement, publication on the I-Bank's website, and distribution of a Request for Proposals (RFP) to a list of forty two (42) firms; and

WHEREAS, the I-Bank received five (5) proposals in response to the notice of solicitation, one of which was non-responsive; and

WHEREAS, four (4) proposals were separately reviewed and ranked by members of an evaluation committee (Committee) set by the Executive Director, comprised of three I-Bank staff members, Assistant Director and COO Frank Scangarella, System Engineer Matthew Martin and Office Manager, Lynda Jeannette; and

WHEREAS, the Committee members independently ranked the proposals and those rankings were tabulated and Pro Computer Services, LLC (PCS) was found to be the highest ranked firm; and

WHEREAS, the Committee recommends awarding the IT Managed Services Agreement to PCS for the maintenance and monitoring of the I-Bank's computer network and workstations.

NOW THEREFORE BE IT RESOLVED, the Executive Director shall send a letter to PCS expressing the I-Bank's intent to award a contract for Information Technology Managed Services to PCS, which letter shall also state that the appointment be for the period beginning September 1, 2018 through August 31, 2020; with an option to extend one-year upon further action by the Board and contingent upon the subsequent execution by all parties of an agreement substantially in the form of the agreement authorized by the Attorney General; and

BE IT FURTHER RESOLVED, the Chairman or Vice Chairman of the I-Bank is hereby authorized to execute an agreement, substantially in the form of the agreement authorized by the Attorney General, with Pro Computer Services LLC (PCS). The terms and conditions of that agreement shall include but not be limited to:

- a. The provision of services as outlined in the I-Bank's RFP distributed on May 29, 2018; and
- b. The proposal submitted by PCS, dated June 28, 2018 and the payment for all services as detailed in the proposal submitted by PCS dated June 28, 2018; 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 Chairman or Vice Chairman of the I-Bank.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

RESOLUTION NO. 18 - xx

**RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
APPROVING A WATER BANK CONSTRUCTION LOAN TO THE MIDDLESEX COUNTY UTILITIES
AUTHORITY**

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 a construction financing program (the “Construction Financing Program”), to make loans (each, a “Construction Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of the environmental infrastructure projects thereof, provided that each such Construction 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 a Construction Loan pursuant to the Construction 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); (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 a Construction Loan through the Construction Financing Program for the same project scope; 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 “SFY2019 Authorizing Resolution”) to authorize and implement the Construction Financing Program during State Fiscal Year 2019 (the “SFY2019 Construction Loan Program); and

WHEREAS, it is the desire of the Board to authorize Construction Loan closings pursuant to the SFY2019 Construction Loan Program for loan closings occurring in SFY2019; and

WHEREAS, pursuant to the terms of the SFY2019 Authorizing Resolution, the Authorized Officers (as defined therein) are 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 SFY2019 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 SFY2019 Authorizing Resolution; and

WHEREAS, pursuant to Section 5 of the SFY2019 Authorizing Resolution, 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 SFY2019 Construction Loan Program shall not exceed \$15,000,000 in principal amount (“SFY2019 Construction Loan Limitation”); and

WHEREAS, pursuant to Section 2 of the SFY2019 Authorizing Resolution, revisions and modifications may be made to terms and provisions of the SFY2019 Construction Financing Program pursuant to further official action of the I-Bank in the form of the adoption of a resolution by the Board of Directors of the I-Bank; and

WHEREAS, the proposed project sponsor listed in Section 1 below (“Project Sponsor”) has requested from the I-Bank a Construction Loan, in anticipation of a long-term loan from the I-Bank and the Department, for the purpose of completing its Project; and

WHEREAS, pursuant to the construction schedule submitted by the Project Sponsor for its Project, a Construction Loan in the corresponding amount set forth in Section 1, not to exceed the maturity date authorized by the Act, will be made available to the Project Sponsor for construction of its Project, all or a portion of which will be completed prior to the Project Sponsor’s receipt of an I-Bank and Department long-term New Jersey Environmental Infrastructure Financing Program (“Water Bank”) loan; and

WHEREAS, with respect to the SFY2019 Construction Loan Limitation, 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 SFY2019 Construction Loan Program shall not exceed \$15,000,000, in principal amount, subject to further official action of the I-Bank 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 SFY2019 Construction Loan Limitation for the Construction Loan, as part of the SFY2019 Construction Loan Program, to the aforementioned Project Sponsor in an amount not to exceed the amount stated in Section 1 hereof, for the purpose of completing the Project Sponsor’s Project; and

WHEREAS, it is the desire of the I-Bank that, other than the SFY2019 Construction Loan Limitation described in the immediately preceding recital, the Project Sponsor shall comply with (i) all other requirements of the SFY2019 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 SFY2019 Construction Loan Limitation, as set forth in the SFY2019 Authorizing Resolution, providing that all Construction Loans approved by the Authorized Officers and made by the I-Bank to Borrowers as part of the SFY2019 Construction

Loan Program, shall not exceed \$15,000,000 in principal amount, the Board of Directors of the I-Bank, following the requisite consultations and given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to the SFY2019 Construction Loan Limitation, a Construction Loan, as part of the SFY2019 Construction Loan Program, to the following Project Sponsor for the stated Project in an amount not to exceed the amount stated for the purpose of completing such Project.

Project Sponsor	Project #	Description	Total Authorized Loan Amount
Middlesex County Utilities Authority	S340699-14	Main trunk sewer rehabilitation Phase II	\$18,250,000

Section 2. Notwithstanding the stated loan amount of \$18,250,000 for the Middlesex County Utilities Authority, the Water Bank funding commitment shall be limited to the operable segment certified, in the amount set forth in the Department’s allowable cost determination for such operable segment, and such funding commitment shall arise at the time of Construction Loan closing for the first such operable segment, and upon the Department’s allowable cost determination for each subsequent operable segment certified thereafter.

Section 3. Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loan made to the Middlesex County Utilities Authority as part of the SFY2019 Construction Loan Program shall comply fully with (i) each of the terms, provisions and conditions precedent set forth in the SFY2019 Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

RESOLUTION NO. 18 - xx

RESOLUTION AUTHORIZING VARIOUS ACTIONS AND FORMS OF DOCUMENTS NECESSARY FOR THE MAKING OF STATE FISCAL YEAR 2019 LOANS BY THE NEW JERSEY INFRASTRUCTURE BANK WITH PROCEEDS OF ITS ENVIRONMENTAL INFRASTRUCTURE BONDS TO BE ISSUED IN FALL OF 2019

WHEREAS, pursuant to Section 5(i) and Section 6(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 issue its bonds (the "I-Bank Bonds") in any principal amounts (subject to the limitations of Section 6(g) of the Act) as in its judgment shall be necessary to provide funds sufficient for any of its corporate purposes, including, without limitation, the making of 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 "Water Bank Project"); and

WHEREAS, pursuant to Section 5(m) and Section 9(a) of the Act, the I-Bank is authorized to make and contract to make I-Bank Loans to Project Sponsors to finance a portion of the costs of the respective Water Bank Projects thereof, 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 purposes thereof; and

WHEREAS, the Board of Directors of the I-Bank (the "Board") currently is scheduled to consider, as part of its agenda at its meeting to be held on or about September 13, 2018, the Water Bank Project applications of certain Project Sponsors for I-Bank Loans from the I-Bank, which I-Bank Loans, if approved, would be made, pursuant to the provisions of the Act, by the I-Bank to such Project Sponsors from the proceeds of I-Bank Bonds, to be issued pursuant to the State Fiscal Year 2019 New Jersey Water Bank Financing Program of the I-Bank (the "Program"), which I-Bank Bonds are expected to be issued by the I-Bank on or about November 29, 2018; and

WHEREAS, each I-Bank Loan made by the I-Bank to a Project Sponsor pursuant to the Program shall be made pursuant to the terms and provisions of a loan agreement, by and between the I-Bank and the respective Project Sponsor (the "I-Bank Loan Agreement"); and

WHEREAS, the I-Bank, in consultation with its professional advisors, and the Office of the State Attorney General, has prepared master forms of the I-Bank Loan Agreement, such forms being attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the I-Bank Loan Agreement contains all of the terms and conditions that are applicable to the receipt by the Project Sponsors of I-Bank Loans from the I-Bank, including, without limitation, specific terms and conditions with which each Project Sponsor must comply prior to receipt of a I-Bank Loan from the I-Bank, but do not contain those terms and conditions

that cannot be determined until completion of the sale of the I-Bank Bonds or until further evaluation of information to be received by the I-Bank from the Project Sponsors; and

WHEREAS, pursuant to the terms and provisions of the Program and subject to (i) satisfaction in full of the conditions precedent set forth in the hereinafter defined Escrow Agreement and (ii) the final certification of the respective Water Bank Project pursuant to the regulations and procedures of the New Jersey Department of Environmental Protection (the "NJDEP"), the I-Bank and each Project Sponsor shall deposit into escrow (the "Escrow Closing") the duly authorized, executed and delivered I-Bank Loan Agreement (subject to completion to the extent of those terms and conditions that cannot be determined until completion of the sale of the I-Bank Bonds or until further evaluation of information to be received by the I-Bank from the Project Sponsor) and certain other Program-related documents (collectively, the "Escrowed Program Documents"), which Escrowed Program Documents shall be held in escrow by ZB, National Association, d/b/a Zions Bank, a national banking association with trust and fiduciary powers in the State, duly appointed by the Board as escrow agent (the "Escrow Agent"), pursuant to the terms and provisions of an escrow agreement (the "Escrow Agreement") to which the I-Bank, the respective Project Sponsor and the Escrow Agent, *inter alia*, shall be parties, which Escrow Agreement shall establish the terms and conditions governing the holding in escrow and administering by the Escrow Agent of the Escrowed Program Documents, including, without limitation, the completion of those terms and conditions of the I-Bank Loan Agreement that cannot be determined until completion of the sale of the I-Bank Bonds or until the further evaluation of information to be received by the I-Bank from the Project Sponsor; and

WHEREAS, the I-Bank, in consultation with its professional advisors, and the Office of the State Attorney General, has prepared master forms of the Escrow Agreement, such forms being attached hereto as Exhibit B and made a part hereof; and

WHEREAS, in furtherance of the intent and goals of the Program, the Board currently is scheduled to consider, as part of its agenda at its meeting to be held on or about September 13, 2018, the adoption of one or more Environmental Infrastructure Bond Resolutions (collectively, the "I-Bank Bond Resolution"), which I-Bank Bond Resolution shall authorize, *inter alia*, (i) the marketing, issuance and sale by the I-Bank of its I-Bank Bonds, (ii) the allocation of the proceeds of the I-Bank Bonds to the Water Bank Projects of the respective Project Sponsors pursuant to the terms of the respective I-Bank Loan Agreement, (iii) the investment of the proceeds of the I-Bank Bonds until expenditure thereof pursuant to the terms of the I-Bank Bond Resolution, and (iv) certain other matters as shall be set forth in the I-Bank Bond Resolution; and

WHEREAS, prior to consideration by the Board of the I-Bank Bond Resolution, as part of the agenda of its meeting to be held on or about September 13, 2018, in furtherance of the intent and purposes of the Program, it will be necessary for the I-Bank to implement certain elements of the Program, including, without limitation, (i) the completion of an Escrow Closing with respect to the I-Bank Loan to be made by the I-Bank to each qualifying Project Sponsor from the proceeds of the I-Bank Bonds, (ii) the conduct, if necessary, of a hearing (the "TEFRA Hearing") with respect to the I-Bank Bonds pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and (iii) the submission of a written request by the I-Bank (the "Investment Authorization Request") to the Director of the Division of Investments in the New

Jersey Department of the Treasury (the “Director”) for approval of the investment by the I-Bank of proceeds of the I-Bank Bonds pursuant to, among other investment instruments that may be deemed appropriate and advantageous, a repurchase agreement that does not conform with State Investment Council regulations, which approval by the Director is dependent upon a finding thereby that such investment is consistent with the corporate purposes of the I-Bank; and

WHEREAS, it is the desire of the Board, in furtherance of the intent and purposes of the Program, that the Chairman of the I-Bank, the Vice-Chairman of the I-Bank and the Executive Director of the I-Bank, or any other person or persons designated by the Board by resolution to act on behalf of the I-Bank, but in each case subject to the limitations of the by-laws of the I-Bank (each, an “Authorized Officer”), each be severally authorized to act on behalf of the I-Bank and implement in furtherance of the Program (i) the completion of an Escrow Closing with respect to the I-Bank Loan to be made by the I-Bank to each qualifying Project Sponsor from the proceeds of the I-Bank Bonds, (ii) the conduct, if determined to be necessary by any Authorized Officer, of a TEFRA Hearing with respect to the I-Bank Bonds pursuant to the requirements of the Code, (iii) the submission, if determined to be necessary by an Authorized Officer, of the Investment Authorization Request to the Director, and (iv) such other actions in connection with the foregoing or such other actions as shall be necessary in furtherance of the intent and purposes of the Program.

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

Section 1. In furtherance of the intent and purposes of the Program, the Board hereby approves the execution and delivery at Escrow Closing (but only upon (i) satisfaction in full of the conditions precedent to Escrow Closing set forth in the respective Escrow Agreement and (ii) the final certification of the respective Water Bank Project pursuant to the regulations and procedures of the NJDEP) of an I-Bank Loan Agreement with respect to each I-Bank Loan to be made by the I-Bank to each Project Sponsor in connection with the respective Water Bank Project thereof, each such I-Bank Loan Agreement to be 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 any Authorized Officer, after consultation with counsel to the I-Bank, such approval to be evidenced by the execution thereof by such Authorized Officer; provided, however, that each I-Bank Loan Agreement executed and delivered at Escrow Closing pursuant to the authorization of the Board set forth herein shall be exclusive of the following terms, which terms shall be completed, upon completion of the sale of the I-Bank Bonds and further evaluation of information to be received by the I-Bank from the Project Sponsors, by any Authorized Officer in a manner (i) consistent with the provisions of the I-Bank Bond Resolution and (ii) pursuant to the provisions of the respective Escrow Agreement relating to the completion of such terms: (a) the principal and interest repayment schedules and adjusted principal amount reflecting, as applicable and without limitation, capitalized interest, reserve capacity, administrative fees and issuance expenses, which cannot be finally determined until completion of the sale of the I-Bank Bonds; (b) if applicable pursuant to the then-current Credit Policy of the I-Bank that has been approved by the Board, provisions requiring additional forms of security, such as a deficiency agreement, a letter of credit or a special reserve fund securing the timely repayment of the I-Bank Loan; and (c) provisions relating to the satisfaction of the “funds available” or “cash on

hand” requirement pertaining to the funding of unallowable Water Bank Project costs or that portion of allowable Water Bank Project costs not financed with proceeds of the I-Bank Bonds through the I-Bank Loan Agreement and the corresponding fund loan agreement entered into by and between the NJDEP and the Project Sponsor.

Section 2. In furtherance of the intent and purposes of the Program, the Board hereby approves the execution and delivery at Escrow Closing (but only upon (i) satisfaction in full of the conditions precedent to Escrow Closing set forth in the respective Escrow Agreement and (ii) the final certification of the respective Water Bank Project pursuant to the regulations and procedures of the NJDEP) of an Escrow Agreement with respect to each I-Bank Loan to be made by the I-Bank to each Project Sponsor in connection with the respective Water Bank Project thereof, each such Escrow Agreement to be in substantially the form attached hereto as Exhibit B and made a part hereof, with such revisions and modifications thereto as shall be approved by any Authorized Officer, after consultation with counsel to the I-Bank, such approval to be evidenced by the execution thereof by such Authorized Officer.

Section 3. In furtherance of the intent and purposes of the Program, the Board hereby authorizes any Authorized Officer to engage in an Escrow Closing (but only upon (i) satisfaction in full of the conditions precedent to Escrow Closing set forth in the respective Escrow Agreement and (ii) the final certification of the respective Water Bank Project pursuant to the regulations and procedures of the NJDEP), pursuant to the terms and procedures of the Escrow Agreement, with respect to each I-Bank Loan to be made by the I-Bank to each Project Sponsor in connection with the respective Water Bank Project thereof. The Board hereby authorizes any Authorized Officer, upon consultation with counsel to the I-Bank, (i) to determine the Escrow Closing schedule and (ii) to undertake any other action in furtherance of the Escrow Closing, relating to the I-Bank Loan made by the I-Bank to each Project Sponsor in connection with the respective Water Bank Project thereof, as such Authorized Officer shall determine to be necessary.

Section 4. In furtherance of the intent and purposes of the Program, the Board hereby authorizes (but only upon (i) satisfaction in full of the conditions precedent to Escrow Closing set forth in the respective Escrow Agreement and (ii) the final certification of the respective Water Bank Project pursuant to the regulations and procedures of the NJDEP) that (i) the I-Bank Loan Agreement, the Escrow Agreement, any other Escrowed Program Documents to which the I-Bank is a party, and any other document required to be executed by the I-Bank in connection with the undertaking and completion of the Escrow Closing, shall be executed in the name of the I-Bank by the manual signature of any Authorized Officer of the I-Bank, and (ii) if required by the terms of such document, its corporate seal shall be impressed, imprinted or otherwise reproduced thereon and attested by the manual signature of the Secretary or Assistant Secretary or other Authorized Officer of the I-Bank.

Section 5. In furtherance of the intent and purposes of the Program, the Board hereby authorizes any Authorized Officer, after consultation with counsel to the I-Bank, to take such other actions and to execute such other documents and instruments as may be necessary or appropriate (and not inconsistent with the terms and provisions of this Resolution) to effect

the consummation of an Escrow Closing with respect to each I-Bank Loan made by the I-Bank to each Project Sponsor in connection with the respective Water Bank Project thereof.

Section 6. In furtherance of the intent and purposes of the Program, the Board hereby authorizes any Authorized Officer, after consultation with counsel to the I-Bank, to conduct the TEFRA Hearing with respect to the I-Bank Bonds (as well as publication prior to the TEFRA Hearing of public notice as required by the Code) at such time and in such manner as any Authorized Officer, after consultation with counsel to the I-Bank, shall determine to be necessary, convenient or desirable in order to satisfy the requirements of the Code.

Section 7. In furtherance of the intent and purposes of the Program, the Board hereby authorizes any Authorized Officer, if determined to be necessary by an Authorized Officer after consultation with counsel to the I-Bank, to submit the Investment Authorization Request to the Director for approval and to undertake any other action necessary in connection with (i) the approval by the Director of the investment by the I-Bank of a portion of the proceeds of the I-Bank Bonds pursuant to, among any other investment instruments that may be deemed appropriate and advantageous, a repurchase agreement that does not conform with State Investment Council regulations and (ii) the finding by the Director that such investment is consistent with the corporate purposes of the I-Bank.

Section 8. The Board hereby authorizes any Authorized Officer, after consultation with counsel to the I-Bank, to take such other actions, to execute such other instruments and to seek such other consents as may be necessary or appropriate (and not inconsistent with the terms and provisions of this Resolution) to further the intent and purposes of the Program.

Section 9. This Resolution shall become effective in accordance with the terms of Section 4(i) of the Act (N.J.S.A. 58:11B-4(i)).

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nayes:

Abstentions:

EXHIBIT A

EXHIBIT B

RESOLUTION NO. 18 - XX**AMENDED AND RESTATED RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
AUTHORIZING THE TRANSPORTATION BANK CONSTRUCTION FINANCING PROGRAM
FOR STATE FISCAL YEAR 2019**

WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”), pursuant to and in accordance with (i) the “New Jersey Infrastructure Trust Act,” constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be, amended and supplemented (the “Act”), and (ii) the policies established by the terms of the “Project Prioritization System, Project Priority List, and Financial Plan,” dated May 4, 2018 (the “Financial Plan”) and submitted to the New Jersey State Legislature jointly by the I-Bank and the New Jersey Department of Transportation (the “NJDOT”), pursuant to and in satisfaction of the requirements of the Act, is authorized, pursuant to an interim financing program (the “Construction Financing Program”), to make loans (each, a “Short-Term Loan”) to “local government units” (as defined in the Act; N.J.S.A. 58:11B-3) that are eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of “transportation projects” (as defined in the Act; N.J.S.A. 58:11B-3) (which allowable costs may include the cost of environmental planning (if applicable), the cost of engineering design, and the cost of construction) (each, a “Transportation Bank Project”), provided that each such Short-Term Loan made by the I-Bank to any such Borrower satisfies the requirements of the Act, including, without limitation, N.J.S.A. 58:11B-9(g), and the policy statements relating to the Construction Financing Program as set forth in the Financial Plan; and

WHEREAS, pursuant to the provisions of the Act and the Financial Plan, a proposed project sponsor is eligible to be a Borrower for a Short-Term Loan for purposes of financing the allowable costs of the Transportation Bank Project of such Borrower pursuant to the Construction Financing Program, provided each of the following conditions is satisfied in full: (i) in satisfaction of the requirements of the Act (N.J.S.A. 58:11B-9(g)), the Transportation Bank Project is listed on the project priority lists for the related funding cycle that have been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20.2; (ii) in satisfaction of the requirements set forth in the Financial Plan, the proposed Borrower has submitted a complete application for the Transportation Bank Project; (iii) in satisfaction of the requirements set forth in the Financial Plan, the proposed Borrower has complied with the I-Bank’s Credit Policy, as formally adopted by the I-Bank; (iv) in satisfaction of the requirements of the Financial Plan, the Transportation Bank Project (or, at a minimum, an operable segment thereof) has been certified for funding by the Commissioner of the NJDOT (the “Commissioner”) and the I-Bank; (v) the Transportation Bank Project is in the fundable range in the forthcoming funding cycle given the Transportation Bank Project’s rank and the anticipated availability of I-Bank monies to fund transportation projects; and (vi) the proposed Borrower has not previously received a Short-Term Loan through the Construction Financing Program for the same Transportation Bank Project scope (exclusive of a Short-Term Loan made solely for the purpose of extending the term of a prior Short-Term Loan) (collectively, the “Construction Financing Program Conditions Precedent”); and

WHEREAS, it is the desire of the I-Bank, subject to the terms and provisions of (i) the Act, (ii) the Financial Plan and (iii) this Resolution, to authorize the implementation, for State Fiscal Year 2019 (“SFY2019”), of the Construction Financing Program for the New Jersey Transportation Bank of the I-Bank (the “SFY2019 Construction Financing Program”); and

WHEREAS, there has been appropriated to the I-Bank, during State Fiscal Year 2018 and State Fiscal Year 2019, the sum of \$22,600,000 for a total of \$45,200,000 (each such appropriation being referred to collectively herein as the “Appropriation”), which Appropriation, as well as any investment earnings thereon, shall be available to the I-Bank for purposes of funding the various transportation financing programs of the I-Bank pursuant to the Act, as well as certain administrative expenses related to such transportation financing programs of the I-Bank, and a portion of such Appropriation, in an amount that shall be determined by any Authorized Officer, in his or her sole discretion, shall be deposited and held in a segregated fund that is entitled “Interim Transportation Financing Program Fund” and that has been established by the I-Bank pursuant to the Act (N.J.S.A. 58:11B-9(g)) for the purpose of funding the implementation of the SFY2019 Construction Financing Program; and

WHEREAS, with respect to the SFY2019 Construction Financing Program of the I-Bank and other future Construction Financing Programs of the I-Bank for the New Jersey Transportation Bank (collectively, the “Current and Future Construction Financing Programs”), it is the desire of the I-Bank to explore, as an additional source of funding for the Current and Future Construction Financing Programs, the procurement by the I-Bank of a revolving line of credit or other similar financial instrument, either through a competitive or negotiated process, from a commercial bank (the “Credit Instrument”; the Appropriation and the Credit Instrument shall be referred to collectively herein as the “Available Funds”), all as permitted pursuant to the provisions of the Act (N.J.S.A. 58:11B-9(g)) and anticipated by the Financial Plan, and in furtherance of such exploration, the I-Bank, through its Authorized Officers (as hereinafter defined), desires to (i) discuss and explore potential structural, collateral and credit features relating to a Credit Instrument with one or more banking corporations, having membership in the federal depository insurance corporation, and/or (ii) prepare and distribute a Request for Qualifications or a Request for Proposals, seeking proposals from qualified providers of a Credit Instrument; and

WHEREAS, it is the desire of the I-Bank that, if a Borrower is eligible to receive financing from the SFY2019 Construction Financing Program for a Transportation Bank Project that includes multiple operable segments, the Borrower may receive a single, combined Short-Term Loan for such Transportation Bank Project, provided that (i) the Borrower has submitted to the I-Bank and the NJDOT a complete application with respect to the Transportation Bank Project, (ii) the I-Bank shall not be obligated to disburse Available Funds pursuant to such Short-Term Loan with respect to any operable segment of a given Transportation Bank Project until such operable segment and the Transportation Bank Project costs applicable thereto shall have been certified by the NJDOT and the I-Bank, as provided herein, and (iii) the Borrower otherwise satisfies each of the other requirements of the Act and the Financial Plan applicable thereto and the applicable terms of this Resolution; and

WHEREAS, it is the desire of the I-Bank to establish such additional terms and provisions of the SFY2019 Construction Financing Program, including, without limitation, (i) the interest rate applicable to each SFY2019 Short-Term Loan, (ii) the maturity with respect to each SFY2019 Short-Term Loan, and (iii) all fees applicable to each SFY2019 Short-Term Loan and the Transportation Bank Project financed thereby, all in a manner consistent with the applicable provisions of (i) the Act and (ii) the Financial Plan; and

WHEREAS, on June 18, 2018, the Board of Directors of the I-Bank (the "Board") adopted Resolution No. 18-42, that certain "Resolution of the New Jersey Infrastructure Bank Authorizing the Transportation Bank Construction Financing Program for State Fiscal Year 2019" (the "Original Authorizing Resolution"), pursuant to the terms of which the I-Bank authorized the implementation, for SFY2019, of the Construction Financing Program for the New Jersey Transportation Bank of the I-Bank; and

WHEREAS, it is the desire of the I-Bank to amend and restate the Original Authorizing Resolution for the purpose of modifying the provisions of Section 4 thereof and, specifically, the Interest Rate Calculation as set forth therein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Infrastructure Bank (the "Board") that the Board does **HEREBY AMEND AND RESTATE** in its entirety the Original Authorizing Resolution, as follows:

Section 1. Authorization, Establishment and Implementation of the SFY2019 Construction Financing Program. The Board hereby authorizes and directs the establishment and implementation of the SFY2019 Construction Financing Program, subject to compliance by the I-Bank with each of the following requirements:

- (a) Each Short-Term Loan made pursuant to the SFY2019 Construction Financing Program shall be funded solely from the Available Funds applicable thereto and available therefor. The Authorized Officers are each hereby severally authorized and directed, after consultation with the I-Bank's Professional Advisors (as hereinafter defined), to determine, in his or her sole discretion, the particular Available Funds that shall be allocated to, and shall be the source of funding for, any given Short-Term Loan made pursuant to the SFY2019 Construction Financing Program.
- (b) Each Short-Term Loan made pursuant to the SFY2019 Construction Financing Program, and each Transportation Bank Project (including each operable segment thereof) funded thereby, shall comply fully with the provisions of the Act and the Financial Plan applicable thereto, as well as the applicable terms of this Resolution.
- (c) No Short-Term Loan shall be made pursuant to the SFY2019 Construction Financing Program unless and until the Construction Financing Program Conditions Precedent applicable to a given Borrower and Transportation Bank Project have been satisfied,

in full, in satisfaction of the requirements of the Act, the Financial Plan and this Resolution.

- (d) Each Short-Term Loan made pursuant to the SFY2019 Construction Financing Program shall be made pursuant to the terms and provisions of the Loan Instruments, as defined in Section 2 hereof, which Loan Instruments shall include and address the requirements hereof, including, without limitation, those requirements as set forth in Sections 3, 4 and 5 hereof.

Section 2. The Loan Instruments and the Terms and Provisions Thereof. Any Short-Term Loan made by the I-Bank as part of the SFY2019 Construction Financing Program shall be evidenced by (i) a note or other appropriate obligation of the Borrower to be issued by the Borrower to the I-Bank (the "Obligation") in order to evidence and secure such Borrower's Short-Term Loan repayment and other obligations, and (ii) any other documentation as shall be deemed necessary and appropriate (collectively, the "Loan Instruments") by the Chairman of the I-Bank, the Vice Chairman of the I-Bank and/or the Executive Director of the I-Bank, or any other person or persons designated by the Board by resolution to act on behalf of the I-Bank, but in each case subject to the limitations of the by-laws 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 (collectively, "Legal Counsel"). Each Obligation shall be in substantially the form attached hereto as Exhibit A, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Legal Counsel, with such approval by the Authorized Officer of such revisions and modifications thereto being evidence by the signed receipt of such Obligation by such Authorized Officer. The Loan Instruments shall include such terms and provisions relating to the SFY2019 Construction Financing Program as shall be determined by an Authorized Officer, after consultation with Legal Counsel, as being necessary and appropriate in connection with (i) the satisfaction of the requirements of the Act and the Financial Plan applicable thereto, and (ii) the implementation of the applicable terms of this Resolution, including, without limitation, each of the following terms and provisions:

- (a) Each Short-Term Loan shall be in the stated principal amount as determined in accordance with Section 3 hereof;
- (b) Each Short-Term Loan shall bear interest at a rate that shall be determined in accordance with the Interest Rate Calculation (as defined in Section 4 hereof);
- (c) Each Short-Term Loan shall have a maturity date that shall be no later than the applicable date set forth in Section 5 hereof;
- (d) Each Short-Term Loan shall be subject to the imposition of an administrative fee in the amount of two percent (2%) of the total estimated Transportation Bank Project cost for the review of the application, technical submissions, and payment requisitions applicable to a given Transportation Bank Project and representing a portion of the cost of such Transportation Bank Project (the "Administrative Fee"); and

- (e) The Loan Instruments with respect to each Short-Term Loan shall include, as applicable, terms and provisions relating to the funding of a Transportation Bank Project with multiple operable segments via a single Short-Term Loan and the proper disbursement of such Short-Term Loan proceeds for the funding of each Transportation Bank Project operable segment.

Section 3. Principal Amount. The principal amount of each Short-Term Loan (and the stated principal amount of the Obligation issued by the Borrower in connection with such Short-Term Loan), made as part of the SFY2019 Construction Financing Program, shall not exceed \$10,000,000, unless a higher principal amount thereof is authorized by official action of the Board at a future meeting thereof. For purposes of determining, at any time, the outstanding principal amount of a Short-Term Loan (and the Obligation issued by the Borrower in connection therewith), such outstanding principal amount shall equal the aggregate of all disbursements of proceeds thereof for Transportation Bank Project costs that have been made by the I-Bank as of the date of such determination inclusive of the Administrative Fee.

Section 4. Interest Rate Calculation. The rate of interest owed and ultimately to be paid by a Borrower to the I-Bank with respect to the repayment of a Short-Term Loan made as part of the SFY2019 Construction Financing Program 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 (i) the policy goals of the I-Bank, as set forth in the Financial Plan and this Resolution, and (ii) the market as of the respective dates on which the interest rate is established for the ensuing State Fiscal Year ("SFY") by the I-Bank:

- (a) **Appropriation Rate:** With respect to any Short-Term Loan that is sourced solely from amounts made available to the I-Bank pursuant to the Appropriation, 0.00%; and
- (b) **Blended Rate:** With respect to any Short-Term Loan, made pursuant to the SFY2019 Construction Financing Program, that is partially sourced from amounts made available to the I-Bank pursuant to a Credit Instrument, the Interest Rate Calculation shall consist of a blended rate of interest (the "Blended Rate") of 1.50% that shall be applicable to each disbursement to a Borrower by the I-Bank of Short Term Loan funds and that shall accrue from the date of such disbursement through the earlier of the date of repayment by the Borrower of the Short Term Loan, in its entirety, or June 30, 2019. Prior to the start of each SFY subsequent to SFY2019, the Blended Rate shall be reset by the I-Bank, pursuant to an approving authorizing resolution of the Board, to reflect the then-current Blended Rate for such subsequent SFY. The subsequent SFY Interest Rate Calculation for any outstanding Short Term Loan funds that were disbursed to a Borrower during a prior SFY shall be the Blended Rate established for each such subsequent SFY, as provided herein, and shall be applied from the first day of such subsequent SFY through the earlier of the date of repayment by the Borrower of the Short Term Loan, in its entirety, or the last day of such subsequent SFY. The subsequent SFY

Interest Rate Calculation for any outstanding Short Term Loan funds that were disbursed to a Borrower during such subsequent SFY shall be the Blended Rate established for such subsequent SFY, as provided herein, and shall be applied from the first day of such subsequent SFY through the earlier of the date of repayment by the Borrower of the Short Term Loan, in its entirety, or the last day of such subsequent SFY.

- (c) **Application of Interest to Disbursements for the Administrative Fee:** The portion of the Short-Term Loan that shall finance the Administrative Fee that shall be payable as provided in Section 2(c) hereof may be determined by the Authorized Officer, at his or her discretion, to bear interest at a rate of 0.00% as an alternative to the rate of interest that otherwise would be applicable to that portion of the Short-Term Loan pursuant to the provisions of this Section 4.

Section 5. Maturity Date. The maturity date with respect to any Short-Term Loan made as part of the SFY2019 Construction Financing Program, including any individual funding disbursement made pursuant thereto, shall not exceed the maximum maturity that is permitted pursuant to the provisions of N.J.S.A. 58:11B-9(g), as such provisions may hereafter be amended and supplemented from time to time.

Section 6. Delegation as to Approval of Borrowers. The Authorized Officers are each hereby severally authorized and directed, after consultation with Legal Counsel, to approve, in his or her sole discretion, the participation of a Borrower in the SFY2019 Construction Financing Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Financial Report applicable thereto, and the applicable terms of this Resolution, including, without limitation, satisfaction by such Borrower of the applicable Construction Financing Program Conditions Precedent.

Section 7. Delegation as to Transportation Bank Project Certification. Prior to the making of any Short-Term Loan with respect to any Transportation Bank Project pursuant to the SFY2019 Construction Financing Program, the Authorized Officers are each hereby severally authorized and directed to certify such Transportation Bank Project for funding through the SFY2019 Construction Financing Program in accordance with the provisions of the Financial Report; provided, however, that as a condition to such certification by an Authorized Officer, (i) the proposed Transportation Bank Project, or at least one operable segment thereof (as provided pursuant to the provisions of Section 8 hereof), previously has been certified for funding by the Commissioner or the Commissioner's designee, and (ii) such proposed Transportation Bank Project (including each of the operable segments thereof) shall otherwise qualify for funding through the SFY2019 Construction Financing Program pursuant to the terms and provisions of the Act and the Financial Report applicable thereto, and the applicable terms and provisions of this Resolution.

Section 8. Operable Segments of a Transportation Bank Project. In the event that a portion, but not all, of a Transportation Bank Project that is to be the subject of a Short-Term Loan pursuant to the SFY2019 Construction Financing Program has been certified for funding by

the Commissioner, as well as by the I-Bank pursuant to the provisions of Section 7 hereof, the Authorized Officers are each hereby severally authorized and directed to extend a Short-Term Loan to such Borrower for such Transportation Bank Project in a stated principal amount that may equal, but shall not exceed, the total estimated allowable costs of such Transportation Bank Project (subject to the further limitations set forth in the Act, the applicable provisions of the Financial Report and this Resolution, including, without limitation, Section 3 of this Resolution); provided, however, that the Loan Instruments relating to such Short-Term Loan shall provide that the I-Bank shall not disburse to the Borrower any proceeds of such Short-Term Loan with respect to those costs of the Transportation Bank Project that have not been certified by the Commissioner, and such prohibition upon the disbursement by the I-Bank to the Borrower of such proceeds of the Short-Term Loan shall continue to apply until such date as such Project costs have been certified by the Commissioner.

Section 9. Delegation as to Execution of Documents. Each Authorized Officer is hereby severally authorized and directed to execute (i) any Loan Instrument to which the I-Bank is a party (the “I-Bank Loan Instruments”) and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the participation of any Borrower in the SFY2019 Construction Financing Program. Upon execution of the I-Bank Loan Instruments by an Authorized Officer, the Secretary and the Assistant Secretary of the I-Bank Board or their designee 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.

Section 10. Report to the Board on Loans. At the meeting of the Board that is scheduled to occur during the month next succeeding the month during which execution and delivery is completed with respect to Loan Instruments relating to a Short-Term Loan made by the I-Bank to a Borrower pursuant to the SFY2019 Construction Financing Program, the Executive Director of the I-Bank shall provide a report to the Board concerning the details of such transaction.

Section 11. Report to the Board on Short-Term Borrowing costs. The Executive Director of the I-Bank shall provide a report to the Board should Short-Term Borrowing costs net of Interest due from Borrowers exceed \$50,000 in any given SFY.

Section 12. Delegation as to Certain Actions Relating to the Procurement of a Credit Instrument. Each Authorized Officer is hereby severally authorized and directed to take such actions that such Authorized Officer, in his or her respective sole discretion, after consultation with Legal Counsel and the Financial Advisor to the I-Bank (collectively, the “Professional Advisors”), deems necessary, convenient or desirable in order to undertake and complete the following with respect to the anticipated procurement by the I-Bank of a Credit Instrument:

- (a) Engage in discussions with one or more banking corporations, having membership in the federal depository insurance corporation, for the purpose of exploring potential structural, collateral and credit features relating to a Credit Instrument in favor of the I-Bank for the purpose of funding all or a portion of one or more of

the Current and Future Construction Financing Programs, and include in such discussions, at the discretion of such Authorized Officer, one or more of the Professional Advisors; and/or

- (b) Prepare and distribute, in consultation with the Professional Advisors, a Request for Qualifications or a Request for Proposals (in either case, the "RFP") to banking corporations, having membership in the federal depository insurance corporation, for the establishment of a Credit Instrument in favor of the I-Bank for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs, in such amount as shall be determined by such Authorized Officer to be necessary and appropriate for such purpose. Such RFP shall be prepared and distributed pursuant to and in compliance with I-Bank Policy and Procedure No. 4.00, entitled "Procurement of Goods and Services".

Notwithstanding the above terms and provisions of this Section 11:

- (c) The specific structural, collateral and credit features of the Credit Instrument that may be discussed by an Authorized Officer with one or more banking corporations, and any contractual commitment by the I-Bank with respect to such structural, collateral and credit features, shall be subject to the authorization and approval thereof by the Board at a future meeting thereof; and
- (d) The award of any contract to a banking corporation that has submitted to the I-Bank a response to RFP for the provision of a Credit Instrument for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs shall be made only upon authorization by official action of the Board at a future meeting thereof.

Section 13. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his or her respective sole discretion, after consultation with Legal Counsel, deems necessary, convenient or desirable in order to affect the transactions contemplated hereby.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

EXHIBIT A

FORMS OF OBLIGATION

APPENDIX I

[NAME OF MUNICIPALITY]

NOTE

RELATING TO:

THE TRANSPORTATION BANK SHORT-TERM LOAN PROGRAM
OF THE NEW JERSEY INFRASTRUCTURE BANK

\$ _____, 201_

NJTB - STFP-19-__

FOR VALUE RECEIVED, _____, a municipal corporation duly created and validly existing pursuant to the laws of the State (as hereinafter defined), and its successors and assigns (the "Borrower"), hereby promises to pay to the order of the **NEW JERSEY INFRASTRUCTURE BANK**, a public body corporate and politic with corporate succession, duly created and validly existing under and by virtue of the Act (as hereinafter defined) (the "I-Bank"), the Principal (as hereinafter defined), together with all unpaid accrued Interest (as hereinafter defined), fees, late charges and other sums due hereunder, if any, in lawful money of the United States of America, on the Maturity Date (as hereinafter defined) or the date of any optional prepayment or acceleration in accordance with the provisions of this note (this "Note").

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

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

"Administrative Fee" means the fee as defined and calculated in Exhibit B hereto, which is an administrative fee that is payable by the Borrower as a portion of the Cost of the Project that has been incurred by the Borrower for the review by the New Jersey Transportation Bank of (i) the Short-Term Loan Program Borrower application, (ii) various Borrower technical submissions, and (iii) the Loan Disbursement Requisitions, as such services are provided to the Borrower by the New Jersey Transportation Bank.

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

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

"Appropriation Condition" means the procedural appropriation by the State for the Project through the inclusion of the Project on the Project Priority List (which Project Priority List is required pursuant to the Act) in an appropriation amount equal to or greater than the Principal amount of the

Loan then due and payable by the Borrower pursuant to the terms hereof.

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

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

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

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

“Financial Plan” means the “Project Prioritization System, Project Priority List, and Financial Plan,” dated May 2018, as prepared, submitted and updated from time to time pursuant to the requirements of the Act.

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

“Interest Rate” means, with respect to each disbursement of proceeds of the Loan, (a) to the extent that such disbursement is funded exclusively from moneys appropriated to the I-Bank, for the Short-Term Loan Program of the I-Bank, pursuant to an appropriations act of the State, the Interest Rate shall equal 0.00%, and (b) to the extent that any portion of such disbursement is funded from available moneys of the I-Bank borrowed from a financial institution pursuant to a line of credit or other similar financial instrument, the Interest Rate shall equal a blended rate of interest that shall be determined by the I-Bank at the commencement of each State fiscal year; provided, however, that portion of the Principal of the Loan that is allocable to the Administrative Fee may be determined by the Authorized Officer of the I-Bank, in his or her discretion, to bear interest at a rate of 0.00% as an alternative to the rate of interest that otherwise would be applicable to such portion of the Principal of the Loan pursuant to the terms hereof.

“Interest” means the interest charged on disbursed funds at the Interest Rate and payable by the Borrower to the I-Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan pursuant to the terms of this Note, on the date of such optional prepayment or acceleration, as the case may be.

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

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

NJDOT.

“Maturity Date” means June 30, 2022, or (i) such earlier date as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the I-Bank to be the date of the closing for the Anticipated Financing Program (subject, in all events, to the rights and remedies of the I-Bank pursuant to, respectively, the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the I-Bank of all covenants obligations of the Borrower hereunder, including, without limitation and in particular, the covenant obligation of the Borrower set forth in Section 3(a) hereof), or (ii) such later date (subject to the then-applicable limits of the Act) to be determined by an Authorized Officer of the I-Bank in his or her sole discretion, pursuant to a written certification thereof, as acknowledged and approved by an Authorized Officer of the Borrower.

“New Jersey Transportation Bank” means the joint initiative of the I-Bank and the NJDOT to provide low-cost financing to qualified applicants with respect to the transportation projects that are identified in the Act.

“NJDOT” means the New Jersey Department of Transportation.

“Principal” means the principal amount of the Loan, at any time being the lesser of (i) _____ Dollars (\$_____), or (ii) the aggregate outstanding amount as shall actually be disbursed to the Borrower by the I-Bank, regardless of source, pursuant to one or more Loan Disbursement Requisitions, which Principal shall be payable by the Borrower to the I-Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan pursuant to the terms of this Note, on the date of such optional prepayment or acceleration, as the case may be.

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

“Short-Term Loan Program” means the short-term financing program of the I-Bank that is implemented pursuant to the New Jersey Transportation Bank for the purpose of making loans, such as this Loan, to qualifying applicants, such as the Borrower, for the purpose of undertaking transportation projects, such as the Project, that are identified in the Act.

“State” means the State of New Jersey.

SECTION 2. Representations of the Borrower. The Borrower represents and warrants to the I-Bank:

(a) **Organization.** The Borrower: (i) is a municipal corporation duly created and validly existing under and pursuant to the Constitution and laws of the State; (ii) has full legal right and authority to execute, attest and deliver this Note, to issue and sell this Note to the I-Bank, and to

perform its obligations hereunder, and (iii) has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the issuance of this Note, the sale thereof to the I-Bank and the due performance of its obligations hereunder, and (B) the execution, delivery and due performance of all certificates and other instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out and give effect to this Note.

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

(c) Pending Litigation. There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that, if adversely determined, would adversely affect (i) the condition (financial or otherwise) of the Borrower, (ii) the ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iii) the authorization, execution, attestation or delivery of this Note, (iv) the issuance of this Note and the sale thereof to the I-Bank, and (v) the Borrower's ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Note.

(d) Compliance with Existing Laws and Agreements; Governmental Consent. (i) The due authorization, execution, attestation and delivery of this Note by the Borrower and the issuance and sale of this Note to the I-Bank, (ii) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder, including, without limitation, the repayment of the Loan and all other amounts due hereunder, and (iii) the undertaking and completion of the Project, will not (A) other than the lien, charge or encumbrance created by this Note and by any other outstanding debt obligations of the Borrower that are at parity with this Note as to lien on, and source and security for payment thereon from, the general tax revenues of the Borrower, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Project 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 Project or its properties or operations are subject. The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the authorization, execution, attestation and delivery of this Note, for the issuance and sale of this Note to the I-Bank, for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Note, and for the undertaking and completion of the Project (provided that, with respect to the undertaking and completion of the Project, such permits and approvals are obtainable by the Borrower as of the date hereof).

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

SECTION 3. Covenants of the Borrower.

(a) Compliance with Existing Laws and Other Terms and Conditions of the Transportation Bank Short-Term Loan Program; Participation in the Anticipated Financing Program. The Borrower covenants and agrees that it shall comply, at all times during the term of this Loan, with the “Transportation Bank Terms and Conditions” that are attached hereto as Exhibit __ and made a part hereof (the “Terms and Conditions”). Further, the Borrower covenants and agrees that it shall undertake and complete in a timely manner (pursuant to and in satisfaction of a schedule determined and disseminated by the I-Bank) all conditions precedent identified by the I-Bank relating to (i) the participation by the Borrower in the Anticipated Financing Program and (ii) the qualification by the Borrower for receipt of the Anticipated Long Term Loan.

(b) Full Faith and Credit Pledge. To secure the repayment obligation of the Borrower with respect to this Note, and all other amounts due under this Note, the Borrower unconditionally and irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of any and all obligations and amounts due under this Note. The Borrower acknowledges that, to assure the continued operation and solvency of the I-Bank, the I-Bank may, pursuant to and in accordance with Section 12a of the Act, require that if the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan repayments, any Interest or any other amounts due pursuant to this Note, an amount sufficient to satisfy such deficiency shall be paid by the State Treasurer to the I-Bank from State-aid otherwise payable to the Borrower.

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

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

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

(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it shall

keep accurate records and accounts for its Project, separate and distinct from its other records and accounts, which shall be audited annually by an independent registered municipal accountant and shall be made available for inspection by the I-Bank upon prior written notice. The Borrower shall permit the I-Bank to inspect the Project.

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

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

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

(a) The I-Bank shall effectuate the Loan to the Borrower by making one or more disbursements to the Borrower promptly after receipt by the I-Bank of a Loan Disbursement Requisition and the approval of such Loan Disbursement Requisition by an Authorized Officer of the I-Bank or designee thereof, each such disbursement and the date thereof to be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto; provided, however, that the approval by the I-Bank of any Loan Disbursement Requisition for disbursement pursuant to the terms hereof shall be subject to the terms, conditions and limitations as set forth in Section 4(b) of this Note. It is expected that the proceeds of the Loan will be disbursed to the Borrower in accordance with Exhibit C hereto, as Exhibit C shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit C or an additional Exhibit C, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of “Project” as set forth herein). The latest date upon which the Borrower may submit to the I-Bank a Loan Disbursement Requisition is the business day immediately preceding the date fixed by the I-Bank for the sale of its I-Bank Bonds in connection with the Anticipated Financing Program, or such alternative date as shall be identified by the I-Bank for the Borrower in writing. On the Maturity Date, the Borrower shall repay the Loan to the I-Bank in an amount equal to: (i) the Principal; (ii) the Interest; and (iii) any other amounts due and owing pursuant to the provisions of this Note. The Borrower may prepay the Loan obligations hereunder, in whole or in part, upon receipt of the prior written consent of an Authorized Officer of the I-Bank. Each payment made to the I-Bank shall be applied to the payment of, first, the Interest then due and payable, second, the Principal, third, any late charges, and, finally, any other amount due pursuant to the provisions of this Note. In the event that the repayment obligation set forth in this Note is received by the I-Bank later than the Maturity Date, a late fee shall be payable to the I-Bank in an amount equal to the greater of twelve percent (12%) per annum or the prime rate as published in the Wall Street Journal on the Maturity Date plus one half of one percent per annum on such late payment from the Maturity Date to the date it is actually paid; provided, however, that any late payment charges incurred hereunder shall not exceed the maximum interest rate permitted by law. Notwithstanding the provisions of this Section 4(a) to the contrary, the Borrower hereby acknowledges and agrees that, on the date of issuance of this Note, a disbursement shall be made and shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto in the amount recorded thereon. Such disbursement shall be made for the purpose of funding one hundred percent (100%) of the Administrative Fee. Such disbursement shall be paid by the I-Bank on behalf of the Borrower directly to

the NJDOT in satisfaction of the provisions hereof.

(b) Notwithstanding the provisions of this Note to the contrary with respect to the funding, pursuant to this Section 4, of any Loan Disbursement Requisition relating to all or any portion of the Project: (i) the Borrower hereby acknowledges and agrees that the I-Bank shall not, and shall not be required to, commit funds, pursuant to the Short-Term Loan Program of the I-Bank, to any portion of the Project until such time as the particular portion of the Project in question has been certified for funding by the NJDOT; (ii) no Loan Disbursement Requisition shall be approved by the I-Bank for disbursement pursuant to this Section 4 unless and until the portion of the Project to which such Loan Disbursement Requisition relates has been certified for funding by the NJDOT; (iii) no Loan Disbursement Requisition shall be approved by the I-Bank for disbursement pursuant to this Section 4 unless and until the Appropriation Condition has been satisfied to an extent and in an amount that is sufficient to fund, in the aggregate, the particular Loan Disbursement Requisition in question and all prior Loan Disbursement Requisitions; and (iv) the I-Bank has no obligation pursuant to this Note to make all or any portion of any Loan Disbursement Requisition disbursement pursuant to the provisions of this Section 4 if the Borrower lacks the authority to pay interest on this Note in an amount equal to the Interest Rate; and (v) the I-Bank has no obligation pursuant to this Note to make all or any portion of any Loan Disbursement Requisition disbursement pursuant to the provisions of this Section 4 if the Borrower has violated the default limitations set forth in Section II(C) of the Terms and Conditions.

SECTION 5. Unconditional Obligations. The direct, general obligation of the Borrower to make the Loan repayments and all other payments required hereunder and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner whatsoever while any Loan repayments, or any other payments due hereunder, remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the I-Bank to perform and observe any agreement or any duty, liability or obligation arising out of this Note, or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might have against the I-Bank or any other party; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

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

possession continues for more than thirty (30) days.

SECTION 7. Remedies upon Event of Default. Whenever an Event of Default shall have occurred and be continuing pursuant to the terms hereof, the Borrower hereby acknowledges and agrees to the rights of the I-Bank to take any action permitted or required at law or in equity to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder. If an Event of Default shall have occurred, the Borrower hereby acknowledges and agrees that the I-Bank shall have the right to (i) immediately cease disbursements of the proceeds of the Loan, and/or (ii) declare all Loan repayments and all other amounts due hereunder to be due and payable immediately without further notice or demand. The Borrower hereby acknowledges and agrees that no remedy herein is intended to be exclusive, and every remedy shall be cumulative and in addition to every other remedy given under this Note or now or hereafter existing at law or in equity. The Borrower hereby further acknowledges and agrees that no delay or omission by the I-Bank to exercise any remedy or right accruing upon any Event of Default shall impair any such remedy or right or shall be construed to be a waiver thereof, but any such remedy or right may be exercised as often as may be deemed expedient. The Borrower hereby further acknowledges and agrees that, pursuant to the "New Jersey Infrastructure Bank Credit Policy", adopted by the Board of Directors of the I-Bank, and as further amended and supplemented from time to time (the "Credit Policy"), during such time as an Event of Default has occurred and is continuing hereunder, the Borrower shall be ineligible for additional financial assistance from the I-Bank, in addition to certain other consequences set forth in the Credit Policy. The Borrower hereby agrees that upon demand it shall pay to the I-Bank the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred in the collection of Loan repayments or any sum due hereunder or in the enforcement of the observation or performance of any obligations or agreements of the Borrower upon an Event of Default. Any moneys collected by the I-Bank pursuant to this Section 7 shall be applied first to pay any attorneys' fees or other fees and expenses owed by the Borrower.

SECTION 8. Certain Miscellaneous Provisions. The Borrower hereby acknowledges and agrees as follows: (a) all notices hereunder shall be deemed given when hand delivered or when mailed by registered or certified mail, postage prepaid, to the Borrower at the following address: [Name and Address of Borrower, Attention: Name of Authorized Officer]; and to the I-Bank at the following address: New Jersey Infrastructure Bank, 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648-2201, Attention: Executive Director; (b) this Note shall be binding upon the Borrower and its successors and assigns; (c) in the event any provision of this Note is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof; (d) the obligations of the Borrower pursuant to the terms of this Note may not be assigned by the Borrower for any reason, unless the I-Bank shall have approved said assignment in writing; (e) this Note may not be amended, supplemented or modified without the prior written consent of the I-Bank; (f) this Note shall be governed by and construed in accordance with the laws of the State; (g) the Borrower shall, at the request of the I-Bank, execute and deliver such further instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Note; and (h) whenever the Borrower is required to obtain the determination, approval or consent of the I-Bank pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the I-Bank in its sole and absolute discretion.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed, sealed and

delivered on the date first above written.

[NAME OF BORROWER]

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
Chief Financial Officer

Clerk

RESOLUTION NO. 18 - 42XX

**AMENDED AND RESTATED RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
AUTHORIZING THE TRANSPORTATION BANK CONSTRUCTION FINANCING PROGRAM
FOR STATE FISCAL YEAR 2019**

WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”), pursuant to and in accordance with (i) the “New Jersey Infrastructure Trust Act,” constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be, amended and supplemented (the “Act”), and (ii) the policies established by the terms of the “Project Prioritization System, Project Priority List, and Financial Plan,” dated May 4, 2018 (the “Financial Plan”) and submitted to the New Jersey State Legislature jointly by the I-Bank and the New Jersey Department of Transportation (the “NJDOT”), pursuant to and in satisfaction of the requirements of the Act, is authorized, pursuant to an interim financing program (the “Construction Financing Program”), to make loans (each, a “Short-Term Loan”) to “local government units” (as defined in the Act; N.J.S.A. 58:11B-3) that are eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of “transportation projects” (as defined in the Act; N.J.S.A. 58:11B-3) (which allowable costs may include the cost of environmental planning (if applicable), the cost of engineering design, and the cost of construction) (each, a “Transportation Bank Project”), provided that each such Short-Term Loan made by the I-Bank to any such Borrower satisfies the requirements of the Act, including, without limitation, N.J.S.A. 58:11B-9(g), and the policy statements relating to the Construction Financing Program as set forth in the Financial Plan; and

WHEREAS, pursuant to the provisions of the Act and the Financial Plan, a proposed project sponsor is eligible to be a Borrower for a Short-Term Loan for purposes of financing the allowable costs of the Transportation Bank Project of such Borrower pursuant to the Construction Financing Program, provided each of the following conditions is satisfied in full: (i) in satisfaction of the requirements of the Act (N.J.S.A. 58:11B-9(g)), the Transportation Bank Project is listed on the project priority lists for the related funding cycle that have been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20.2; (ii) in satisfaction of the requirements set forth in the Financial Plan, the proposed Borrower has submitted a complete application for the Transportation Bank Project; (iii) in satisfaction of the requirements set forth in the Financial Plan, the proposed Borrower has complied with the I-Bank’s Credit Policy, as formally adopted by the I-Bank; (iv) in satisfaction of the requirements of the Financial Plan, the Transportation Bank Project (or, at a minimum, an operable segment thereof) has been certified for funding by the Commissioner of the NJDOT (the “Commissioner”) and the I-Bank; (v) the Transportation Bank Project is in the fundable range in the forthcoming funding cycle given the Transportation Bank Project’s rank and the anticipated availability of I-Bank monies to fund transportation projects; and (vi) the proposed Borrower has not previously received a Short-Term Loan through the Construction Financing Program for the same ~~project~~ Transportation Bank Project scope (exclusive of a Short-Term Loan made solely for the purpose of extending the term of a prior Short-Term Loan) (collectively, the “Construction Financing Program Conditions Precedent”); and

WHEREAS, it is the desire of the I-Bank, subject to the terms and provisions of (i) the Act, (ii) the Financial Plan and (iii) this Resolution, to authorize the implementation, for State Fiscal Year 2019 (“SFY2019”), of the Construction Financing Program for the New Jersey Transportation Bank of the I-Bank (the “SFY2019 Construction Financing Program”); and

WHEREAS, there has been appropriated to the I-Bank, during State Fiscal Year 2018 and State Fiscal Year 2019, the sum of \$22,600,000 ~~and it currently is anticipated by the I-Bank that an additional sum for a total of \$22,600,45,200,000 will be appropriated to the I-Bank during SFY2019~~ (each such appropriation being referred to collectively herein as the “Appropriation”), which Appropriation, as well as any investment earnings thereon, shall be available to the I-Bank for purposes of funding the various transportation financing programs of the I-Bank pursuant to the Act, as well as certain administrative expenses related to such transportation financing programs of the I-Bank, and a portion of such Appropriation, in an amount that shall be determined by any Authorized Officer, in his or her sole discretion, shall be deposited and held in a segregated fund that is entitled “Interim Transportation Financing Program Fund” and that has been established by the I-Bank pursuant to the Act (N.J.S.A. 58:11B-9(g)) for the purpose of funding the implementation of the SFY2019 Construction Financing Program; and

WHEREAS, with respect to the SFY2019 Construction Financing Program of the I-Bank and other future Construction Financing Programs of the I-Bank for the New Jersey Transportation Bank (collectively, the “Current and Future Construction Financing Programs”), it is the desire of the I-Bank to explore, as an additional source of funding for the Current and Future Construction Financing Programs, the procurement by the I-Bank of a revolving line of credit or other similar financial instrument, either through a competitive or negotiated process, from a commercial bank (the “Credit Instrument”; the Appropriation and the Credit Instrument shall be referred to collectively herein as the “Available Funds”), all as permitted pursuant to the provisions of the Act (N.J.S.A. 58:11B-9(g)) and anticipated by the Financial Plan, and in furtherance of such exploration, the I-Bank, through its Authorized Officers (as hereinafter defined), desires to (i) discuss and explore potential structural, collateral and credit features relating to a Credit Instrument with one or more banking corporations, having membership in the federal depository insurance corporation, and/or (ii) prepare and distribute a Request for Qualifications or a Request for Proposals, seeking proposals from qualified providers of a Credit Instrument; and

WHEREAS, it is the desire of the I-Bank that, if a Borrower is eligible to receive financing from the SFY2019 Construction Financing Program for a Transportation Bank Project that includes multiple operable segments, the Borrower may receive a single, combined Short-Term Loan for such Transportation Bank Project, provided that (i) the Borrower has submitted to the I-Bank and the NJDOT a complete application with respect to the Transportation Bank Project, (ii) the I-Bank shall not be obligated to disburse Available Funds pursuant to such Short-Term Loan with respect to any operable segment of a given Transportation Bank Project until such operable segment and the Transportation Bank Project costs applicable thereto shall have been certified by the NJDOT and the I-Bank, as provided herein, and (iii) the Borrower otherwise satisfies each of the other requirements of the Act and the Financial Plan applicable thereto and the applicable terms of this Resolution; and

WHEREAS, it is the desire of the I-Bank to establish such additional terms and provisions of the SFY2019 Construction Financing Program, including, without limitation, (i) the interest rate applicable to each SFY2019 Short-Term Loan, (ii) the maturity with respect to each SFY2019 Short-Term Loan, and (iii) all fees applicable to each SFY2019 Short-Term Loan and the Transportation Bank Project financed thereby, all in a manner consistent with the applicable provisions of (i) the Act and (ii) the Financial Plan; and

WHEREAS, on June 18, 2018, the Board of Directors of the I-Bank (the "Board") adopted Resolution No. 18-42, that certain "Resolution of the New Jersey Infrastructure Bank Authorizing the Transportation Bank Construction Financing Program for State Fiscal Year 2019" (the "Original Authorizing Resolution"), pursuant to the terms of which the I-Bank authorized the implementation, for SFY2019, of the Construction Financing Program for the New Jersey Transportation Bank of the I-Bank; and

WHEREAS, it is the desire of the I-Bank to amend and restate the Original Authorizing Resolution for the purpose of modifying the provisions of Section 4 thereof and, specifically, the Interest Rate Calculation as set forth therein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Infrastructure Bank (the "Board";) that the Board does HEREBY AMEND AND RESTATE in its entirety the Original Authorizing Resolution, as follows:

Section 1. Authorization, Establishment and Implementation of the SFY2019 Construction Financing Program. The Board hereby authorizes and directs the establishment and implementation of the SFY2019 Construction Financing Program, subject to compliance by the I-Bank with each of the following requirements:

- (a) Each Short-Term Loan made pursuant to the SFY2019 Construction Financing Program shall be funded solely from the Available Funds applicable thereto and available therefor. The Authorized Officers are each hereby severally authorized and directed, after consultation with the I-Bank's Professional Advisors (as hereinafter defined), to determine, in his or her sole discretion, the particular Available Funds that shall be allocated to, and shall be the source of funding for, any given Short-Term Loan made pursuant to the SFY2019 Construction Financing Program.
- (b) Each Short-Term Loan made pursuant to the SFY2019 Construction Financing Program, and each Transportation Bank Project (including each operable segment thereof) funded thereby, shall comply fully with the provisions of the Act and the Financial Plan applicable thereto, as well as the applicable terms of this Resolution.
- (c) No Short-Term Loan shall be made pursuant to the SFY2019 Construction Financing Program unless and until the Construction Financing Program Conditions Precedent applicable to a given Borrower and Transportation Bank Project have been satisfied, in

full, in satisfaction of the requirements of the Act, the Financial Plan and this Resolution.

- (d) Each Short-Term Loan made pursuant to the SFY2019 Construction Financing Program shall be made pursuant to the terms and provisions of the Loan Instruments, as defined in Section 2 hereof, which Loan Instruments shall include and address the requirements hereof, including, without limitation, those requirements as set forth in Sections 3, 4 and 5 hereof.

Section 2. The Loan Instruments and the Terms and Provisions Thereof. Any Short-Term Loan made by the I-Bank as part of the SFY2019 Construction Financing Program shall be evidenced by (i) a note or other appropriate obligation of the Borrower to be issued by the Borrower to the I-Bank (the "Obligation") in order to evidence and secure such Borrower's Short-Term Loan repayment and other obligations, and (ii) any other documentation as shall be deemed necessary and appropriate (collectively, the "Loan Instruments") by the Chairman of the I-Bank, the Vice Chairman of the I-Bank and/or the Executive Director of the I-Bank, or any other person or persons designated by the Board by resolution to act on behalf of the I-Bank, but in each case subject to the limitations of the by-laws 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 (collectively, "Legal Counsel"). Each Obligation shall be in substantially the form attached hereto as Exhibit A, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Legal Counsel, with such approval by the Authorized Officer of such revisions and modifications thereto being evidence by the signed receipt of such Obligation by such Authorized Officer. The Loan Instruments shall include such terms and provisions relating to the SFY2019 Construction Financing Program as shall be determined by an Authorized Officer, after consultation with Legal Counsel, as being necessary and appropriate in connection with (i) the satisfaction of the requirements of the Act and the Financial Plan applicable thereto, and (ii) the implementation of the applicable terms of this Resolution, including, without limitation, each of the following terms and provisions:

- (a) Each Short-Term Loan shall be in the stated principal amount as determined in accordance with Section 3 hereof;
- (b) Each Short-Term Loan shall bear interest at a rate that shall be determined in accordance with the Interest Rate Calculation (as defined in Section 4 hereof);
- (c) Each Short-Term Loan shall have a maturity date that shall be no later than the applicable date set forth in Section 5 hereof;
- (d) Each Short-Term Loan shall be subject to the imposition of an administrative fee in the amount of two percent (2%) of the total estimated ~~project~~Transportation Bank Project cost for the review of the application, technical submissions, and payment requisitions applicable to a given Transportation Bank Project and representing a portion of the cost of such Transportation Bank Project (the "Administrative Fee"); and

- (e) The Loan Instruments with respect to each Short-Term Loan shall include, as applicable, terms and provisions relating to the funding of a Transportation Bank Project with multiple operable segments via a single Short-Term Loan and the proper disbursement of such Short-Term Loan proceeds for the funding of each Transportation Bank Project operable segment.

Section 3. Principal Amount. The principal amount of each Short-Term Loan (and the stated principal amount of the Obligation issued by the Borrower in connection with such Short-Term Loan), made as part of the SFY2019 Construction Financing Program, shall not exceed \$10,000,000, unless a higher principal amount thereof is authorized by official action of the Board at a future meeting thereof. For purposes of determining, at any time, the outstanding principal amount of a Short-Term Loan (and the Obligation issued by the Borrower in connection therewith), such outstanding principal amount shall equal the aggregate of all disbursements of proceeds thereof for Transportation Bank Project costs that have been made by the I-Bank as of the date of such determination inclusive of the Administrative Fee.

Section 4. Interest Rate Calculation. The rate of interest owed and ultimately to be paid by a Borrower to the I-Bank with respect to the repayment of a Short-Term Loan made as part of the SFY2019 Construction Financing Program 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 (i) the policy goals of the I-Bank, as set forth in the Financial Plan and this Resolution, and (ii) the market as of the respective dates on which ~~each disbursement of the Short-Term Loan~~ interest rate is made established for the ensuing State Fiscal Year ("SFY") by the I-Bank ~~to the Borrower:~~

- (a) **Appropriation Rate:** With respect to any ~~portion of a~~ Short-Term Loan that is sourced solely from amounts made available to the I-Bank pursuant to the Appropriation, 0.00%; and
- ~~(b) **Credit Instrument Rate:** With respect to any portion of a Short-Term Loan that is sourced from amounts made available to the I-Bank pursuant to a Credit Instrument, a rate to be determined by the I-Bank, pursuant to and in compliance with the future approval by the Board of any such Credit Instrument as required by Section 11 hereof, which rate shall be commensurate with the cost to the I-Bank of obtaining funds from and pursuant to such Credit Instrument for the purpose of making such Short-Term Loan or portion thereof;~~
- ~~(c) **Blended Rate:** With respect to each Short-Term Loan, and in a manner consistent with the terms of the Financial Report, the Interest Rate Calculation is anticipated by the I-Bank to produce an overall rate of interest, applicable to the entire Short-Term Loan, consisting of a range of between (i) 0.00% and (ii) 50% of the cost of the Credit Instrument, all as shall be determined by an Authorized Officer, in his or her sole discretion, based upon the source of the Available Funds that shall be available to~~

~~the I-Bank for purposes of Short-Term Loan disbursements, which rate range is reflective of an anticipated source of Available Funds consisting of a range of between (i) 100% and (ii) up to 50% of Appropriation funding (in which case the remaining funds shall be provided from the Credit Instrument funding);~~

~~(d)(b) **Blended Rate:** With respect to any Short-Term Loan, made pursuant to the SFY2019 Construction Financing Program, that is partially sourced from amounts made available to the I-Bank pursuant to a Credit Instrument, the Interest Rate Calculation shall consist of a blended rate of interest (the “Blended Rate”) of 1.50% that shall be applicable to each disbursement to a Borrower by the I-Bank of Short Term Loan funds and that shall accrue from the date of such disbursement through the earlier of the date of repayment by the Borrower of the Short Term Loan, in its entirety, or June 30, 2019. Prior to the start of each SFY subsequent to SFY2019, the Blended Rate shall be reset by the I-Bank, pursuant to an approving authorizing resolution of the Board, to reflect the then-current Blended Rate for such subsequent SFY. The subsequent SFY Interest Rate Calculation for any outstanding Short Term Loan funds that were disbursed to a Borrower during a prior SFY shall be the Blended Rate established for each such subsequent SFY, as provided herein, and shall be applied from the first day of such subsequent SFY through the earlier of the date of repayment by the Borrower of the Short Term Loan, in its entirety, or the last day of such subsequent SFY. The subsequent SFY Interest Rate Calculation for any outstanding Short Term Loan funds that were disbursed to a Borrower during such subsequent SFY shall be the Blended Rate established for such subsequent SFY, as provided herein, and shall be applied from the first day of such subsequent SFY through the earlier of the date of repayment by the Borrower of the Short Term Loan, in its entirety, or the last day of such subsequent SFY.~~

(c) **Application of Interest to Disbursements for the Administrative Fee:** The portion of the Short-Term Loan that shall finance the Administrative Fee that shall be payable as provided in Section 2(c) hereof may be determined by the Authorized ~~Office~~Officer, at his or her discretion, to bear interest at a rate of 0.00% as an alternative to the rate of interest that otherwise would be applicable to that portion of the Short-Term Loan pursuant to the provisions of this Section 4~~;~~.

~~(e) **The Impact of Borrower Ratings Upon the Interest Rate Calculation:** Notwithstanding any provision of this Section 4 to the contrary, and pursuant to and in satisfaction of the terms of the Financial Report, in the case of any Borrower with an investment grade rating of less than A3 from Moody’s Investors Service, Inc. or A- from either S&P Global Ratings or Fitch Ratings, Inc., such Borrower shall receive a Short-Term Loan that is disbursed exclusively from amounts made available to the I-Bank pursuant to the Appropriation and, therefore, such Short-Term Loan shall bear interest at a rate of 0.00%, provided that an Authorized Officer determines, in his or her sole discretion, following consultation with the Financial Advisor to the I-Bank,~~

~~that the funding of a portion of a Short Term Loan for such Borrower from proceeds of a Credit Instrument, given such a rating, will either (i) materially increase the cost to the I-Bank and the SFY2019 Construction Financing Program of the Credit Instrument funding and/or (ii) result in an objection by the provider of the Credit Instrument. At no point shall loans rated less than A3 from Moody's Investors Service, Inc. or A from either S&P Global Ratings or Fitch Ratings, Inc., constitute more than 10% of the funds committed by the I-Bank to Transportation Bank Borrowers.~~

Section 5. Maturity Date. The maturity date with respect to any Short-Term Loan made as part of the SFY2019 Construction Financing Program, including any individual funding disbursement made pursuant thereto, shall not exceed the maximum maturity that is permitted pursuant to the provisions of N.J.S.A. 58:11B-9(g), as such provisions may hereafter be amended and supplemented from time to time.

Section 6. Delegation as to Approval of Borrowers. The Authorized Officers are each hereby severally authorized and directed, after consultation with Legal Counsel, to approve, in his or her sole discretion, the participation of a Borrower in the SFY2019 Construction Financing Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Financial Report applicable thereto, and the applicable terms of this Resolution, including, without limitation, satisfaction by such Borrower of the applicable Construction Financing Program Conditions Precedent.

Section 7. Delegation as to Transportation Bank Project Certification. Prior to the making of any Short-Term Loan with respect to any Transportation Bank Project pursuant to the SFY2019 Construction Financing Program, the Authorized Officers are each hereby severally authorized and directed to certify such Transportation Bank Project for funding through the SFY2019 Construction Financing Program in accordance with the provisions of the Financial Report; provided, however, that as a condition to such certification by an Authorized Officer, (i) the proposed Transportation Bank Project, or at least one operable segment thereof (as provided pursuant to the provisions of Section 8 hereof), previously has been certified for funding by the Commissioner ~~of the NJDOT ("Commissioner")~~ or the Commissioner's designee, and (ii) such proposed Transportation Bank Project (including each of the operable segments thereof) shall otherwise qualify for funding through the SFY2019 Construction Financing Program pursuant to the terms and provisions of the Act and the Financial Report applicable thereto, and the applicable terms and provisions of this Resolution.

Section 8. Operable Segments of a Transportation Bank Project. In the event that a portion, but not all, of a Transportation Bank Project that is to be the subject of a Short-Term Loan pursuant to the SFY2019 Construction Financing Program has been certified for funding by the Commissioner, as well as by the I-Bank pursuant to the provisions of Section 7 hereof, the Authorized Officers are each hereby severally authorized and directed to extend a Short-Term Loan to such Borrower for such Transportation Bank Project in a stated principal amount that may equal, but shall not exceed, the total estimated allowable costs of such Transportation Bank Project

(subject to the further limitations set forth in the Act, the applicable provisions of the Financial Report and this Resolution, including, without limitation, Section 3 of this Resolution); provided, however, that the Loan Instruments relating to such Short-Term Loan shall provide that the I-Bank shall not disburse to the Borrower any proceeds of such Short-Term Loan with respect to those costs of the Transportation Bank Project that have not been certified by the Commissioner, and such prohibition upon the disbursement by the I-Bank to the Borrower of such proceeds of the Short-Term Loan shall continue to apply until such date as such Project costs have been certified by the Commissioner.

Section 9. Delegation as to Execution of Documents. Each Authorized Officer is hereby severally authorized and directed to execute (i) any Loan Instrument to which the I-Bank is a party (the "I-Bank Loan Instruments") and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the participation of any Borrower in the SFY2019 Construction Financing Program. Upon execution of the I-Bank Loan Instruments by an Authorized Officer, the Secretary and the Assistant Secretary of the I-Bank Board or their designee 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.

Section 10. Report to the Board on Loans. At the meeting of the Board that is scheduled to occur during the month next succeeding the month during which execution and delivery is completed with respect to Loan Instruments relating to a Short-Term Loan made by the I-Bank to a Borrower pursuant to the SFY2019 Construction Financing Program, the Executive Director of the I-Bank shall provide a report to the Board concerning the details of such transaction.

~~Section 11~~ **Section 11. Report to the Board on Short-Term Borrowing costs.** The Executive Director of the I-Bank shall provide a report to the Board should Short-Term Borrowing costs net of Interest due from Borrowers exceed \$50,000 in any given SFY.

Section 12. Delegation as to Certain Actions Relating to the Procurement of a Credit Instrument. Each Authorized Officer is hereby severally authorized and directed to take such actions that such Authorized Officer, in his or her respective sole discretion, after consultation with Legal Counsel, and the Financial Advisor to the I-Bank (collectively, the "Professional Advisors"), deems necessary, convenient or desirable in order to undertake and complete the following with respect to the anticipated procurement by the I-Bank of a Credit Instrument:

- (a) Engage in discussions with one or more banking corporations, having membership in the federal depository insurance corporation, for the purpose of exploring potential structural, collateral and credit features relating to a Credit Instrument in favor of the I-Bank for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs, and include in such discussions, at the discretion of such Authorized Officer, one or more of the Professional Advisors; and/or

- (b) Prepare and distribute, in consultation with the Professional Advisors, a Request for Qualifications or a Request for Proposals (in either case, the “RFP”) to banking corporations, having membership in the federal depository insurance corporation, for the establishment of a Credit Instrument in favor of the I-Bank for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs, in such amount as shall be determined by such Authorized Officer to be necessary and appropriate for such purpose. Such RFP shall be prepared and distributed pursuant to and in compliance with I-Bank Policy and Procedure No. 4.00, entitled “Procurement of Goods and Services”.

Notwithstanding the above terms and provisions of this Section 11:

- (c) The specific structural, collateral and credit features of the Credit Instrument that may be discussed by an Authorized Officer with one or more banking corporations, and any contractual commitment by the I-Bank with respect to such structural, collateral and credit features, shall be subject to the authorization and approval thereof by the Board at a future meeting thereof; and
- (d) The award of any contract to a banking corporation that has submitted to the I-Bank a response to RFP for the provision of a Credit Instrument for the purpose of funding all or a portion of one or more of the Current and Future Construction Financing Programs shall be made only upon authorization by official action of the Board at a future meeting thereof.

Section ~~12~~13. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his or her respective sole discretion, after consultation with Legal Counsel, deems necessary, convenient or desirable in order to affect the transactions contemplated hereby.

Adopted Date: ~~June 18, 2018~~

Motion Made By: ~~Mr. Robert Long~~

Motion Seconded By: ~~Mr. Michael Kanef~~

Ayes: 7

Nays: 0

Abstentions: 0

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EXHIBIT A
FORMS OF OBLIGATION

Appendix A

APPENDIX I

[NAME OF MUNICIPALITY]
NOTE
RELATING TO:
THE TRANSPORTATION BANK SHORT-TERM LOAN PROGRAM
OF THE NEW JERSEY INFRASTRUCTURE BANK

\$ _____, 201_

NJTB - STFP-19-__

FOR VALUE RECEIVED, _____, a municipal corporation duly created and validly existing pursuant to the laws of the State (as hereinafter defined), and its successors and assigns (the "Borrower"), hereby promises to pay to the order of the **NEW JERSEY INFRASTRUCTURE BANK**, a public body corporate and politic with corporate succession, duly created and validly existing under and by virtue of the Act (as hereinafter defined) (the "I-Bank"), the Principal (as hereinafter defined), together with all unpaid accrued Interest (as hereinafter defined), fees, late charges and other sums due hereunder, if any, in lawful money of the United States of America, on the Maturity Date (as hereinafter defined) or the date of any optional prepayment or acceleration in accordance with the provisions of this note (this "Note").

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

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

~~_____ **"Administrative Fee"** means a fee of up to four tenths of one percent (.40%) of that portion of the Principal identified in clause (i) of the definition thereof (as set forth in this Section 1), or such lesser amount, if any, as the I Bank may determine from time to time.~~

_____ **"Administrative Fee"** means the fee as defined and calculated in Exhibit B hereto, which is an administrative fee that is payable by the Borrower as a portion of the Cost of the Project that has been incurred by the Borrower for the review by the New Jersey Transportation Bank of (i) the Short-Term Loan Program Borrower application, (ii) various Borrower technical submissions, and (iii) the Loan Disbursement Requisitions, as such services are provided to the Borrower by the New Jersey Transportation Bank.

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

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

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

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

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

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

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

“Financial Plan” means the “Project Prioritization System, Project Priority List, and Financial Plan,” dated May 2018. ~~[Elaborate and cite the Act.], as prepared, submitted and updated from time to time pursuant to the requirements of the Act.~~

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

~~**“I Bank Portion”** means, on any date, an amount equal to the fifty percent (50%) of the Principal of the Loan on such date, exclusive of that portion of the Principal of the Loan that is allocable to the Administrative Fee.~~

~~**“I Bank Portion”** **“Interest Rate”** means, with respect to each disbursement of proceeds of the I Bank Portion of the Loan, (a) to the extent that such disbursement is funded exclusively from moneys appropriated to the I-Bank, for the ~~Construction Financing~~ Short-Term Loan Program of the I-Bank, pursuant to an appropriations act of the State, the I Bank Portion-Interest Rate shall equal 0.00%, and (b) to the extent that ~~such disbursement is funded from available moneys of the I Bank that are neither~~ (i) appropriated to the I Bank as provided by the preceding clause (a), nor (ii) borrowed from a financial institution pursuant to a line of credit or other similar financial instrument as provided by the succeeding clause (c), the I Bank Portion Interest Rate shall equal the interest rate that is published as either the Thompson Financial TM3 “AAA” Municipal Market Data General Obligation Index (Tax Exempt) or the “BVAL” Index (relating to general obligation, tax exempt credits) of Bloomberg L.P. (or any subsidiary thereof), (with the particular index that is used by the I Bank to be selected by an Authorized Officer of the I Bank) or, if such indexes are no longer published on such date, such successor index as may be selected~~

by an Authorized Officer of the I Bank, in each case for the number of years that corresponds to the length of time from the date such disbursement is made available to the Borrower by the I Bank to the Maturity Date, rounding up to the nearest year, or (c) to the extent that any portion of such disbursement is funded from available moneys of the I-Bank borrowed from a financial institution pursuant to a line of credit or other similar financial instrument, the ~~I-Bank Portion~~ Interest Rate shall equal a blended rate of interest that shall ~~equal the actual rate of~~ be determined by the I-Bank at the commencement of each State fiscal year; provided, however, that portion of the Principal of the Loan that is allocable to the Administrative Fee may be determined by the Authorized Officer of the I-Bank, in his or her discretion, to bear interest established by ~~that~~ a rate of 0.00% as an alternative to the rate of interest that otherwise would be applicable ~~financial institution to such portion of the Principal of the Loan pursuant to a competitive or negotiated solicitation by the I Bank with respect to such line of credit or other financial instrument~~ the terms hereof.

“Interest” means the interest charged on ~~the outstanding Principal of the Loan at a rate of (a) with respect to the I-Bank Portion of the Principal, the applicable I-Bank Portion Interest Rate and (b) with respect to the LAIF Portion of the Principal, 0.00%,~~ disbursed funds at the Interest Rate and payable by the Borrower to the I-Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan pursuant to the terms of this Note, on the date of such optional prepayment or acceleration, as the case may be.

~~“LAIF Portion” means, on any date, an amount no less than the aggregate of (i) fifty percent (50%) of the Principal of the Loan on such date, exclusive of that portion of the Principal of the Loan that is allocable to the [NJDOT Loan Origination Fee].~~

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

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

“Maturity Date” means June 30, 2022, or (i) such earlier date as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the I-Bank to be the date of the closing for the Anticipated Financing Program (subject, in all events, to the rights and remedies of the I-Bank pursuant to, respectively, the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the I-Bank of all covenants obligations of the Borrower hereunder, including, without limitation and in particular, the covenant obligation of the Borrower set forth in Section 3(a) hereof), or (ii) such later date (subject to the then-applicable limits of the Act) to be determined by an Authorized Officer of the I-Bank in his or her sole discretion, pursuant to a written certification thereof, as acknowledged and approved by an Authorized Officer of the Borrower.

“New Jersey Transportation Bank” means the joint initiative of the I-Bank and the NJDOT to provide low-cost financing to qualified applicants with respect to the transportation projects that are identified in the Act.

“NJDOT” means the New Jersey Department of Transportation.

“Principal” means the principal amount of the Loan, at any time being the lesser of (i) _____ Dollars (\$ _____), or (ii) the aggregate outstanding amount as shall actually be disbursed to the Borrower by the I-Bank, regardless of source, pursuant to one or more Loan Disbursement Requisitions, which Principal shall be payable by the Borrower to the I-Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan pursuant to the terms of this Note, on the date of such optional prepayment or acceleration, as the case may be.

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

“Short-Term Loan Program” means the short-term financing program of the I-Bank that is implemented pursuant to the New Jersey Transportation Bank for the purpose of making loans, such as this Loan, to qualifying applicants, such as the Borrower, for the purpose of undertaking transportation projects, such as the Project, that are identified in the Act.

“State” means the State of New Jersey.

SECTION 2. Representations of the Borrower. The Borrower represents and warrants to the I-Bank:

(a) **Organization.** The Borrower: (i) is a municipal corporation duly created and validly existing under and pursuant to the Constitution and laws of the State; (ii) has full legal right and authority to execute, attest and deliver this Note, to issue and sell this Note to the I-Bank, and to perform its obligations hereunder, and (iii) has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the issuance of this Note, the sale thereof to the I-Bank and the due performance of its obligations hereunder, and (B) the execution, delivery and due performance of all certificates and other instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out and give effect to this Note.

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

(c) **Pending Litigation.** There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that, if adversely determined, would adversely affect (i) the condition (financial or otherwise) of the Borrower, (ii) the ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iii) the authorization, execution, attestation or delivery of this Note, (iv) the issuance of this Note and the sale thereof to the I-Bank, and (v) the Borrower’s ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Note.

(d) Compliance with Existing Laws and Agreements; Governmental Consent. (i) The due authorization, execution, attestation and delivery of this Note by the Borrower and the issuance and sale of this Note to the I-Bank, (ii) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder, including, without limitation, the repayment of the Loan and all other amounts due hereunder, and (iii) the undertaking and completion of the Project, will not (A) other than the lien, charge or encumbrance created by this Note and by any other outstanding debt obligations of the Borrower that are at parity with this Note as to lien on, and source and security for payment thereon from, the general tax revenues of the Borrower, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Project 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 Project or its properties or operations are subject. The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the authorization, execution, attestation and delivery of this Note, for the issuance and sale of this Note to the I-Bank, for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Note, and for the undertaking and completion of the Project. (provided that, with respect to the undertaking and completion of the Project, such permits and approvals are obtainable by the Borrower as of the date hereof).

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

SECTION 3. Covenants of the Borrower.

(a) Compliance with Existing Laws and Other Terms and Conditions of the Transportation Bank Short-Term Loan Program; Participation in the Anticipated Financing Program.- The Borrower covenants and agrees that it shall comply, at all times during the term of this Loan, with the "Transportation Bank Terms and Conditions" that are attached hereto as Exhibit _____ and made a part hereof (the "Terms and Conditions"). Further, the Borrower covenants and agrees that it shall undertake and complete in a timely manner (pursuant to and in satisfaction of a schedule determined and disseminated by the I-Bank) all conditions precedent identified by the I-Bank relating to (i) the participation by the Borrower in the Anticipated Financing Program and (ii) the qualification by the Borrower for receipt of the Anticipated Long Term Loan.-

(b) Full Faith and Credit Pledge. To secure the repayment obligation of the Borrower with respect to this Note, and all other amounts due under this Note, the Borrower unconditionally and irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of any and all obligations and amounts due under this Note. The Borrower acknowledges that, to assure the continued operation and solvency of the I-Bank, the I-Bank may, pursuant to and in accordance with Section 12a of the Act, require that if the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan repayments, any Interest or any other amounts due pursuant

to this Note, an amount sufficient to satisfy such deficiency shall be paid by the State Treasurer to the I-Bank from State-aid otherwise payable to the Borrower.

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

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

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

(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it shall keep accurate records and accounts for its Project, separate and distinct from its other records and accounts, which shall be audited annually by an independent registered municipal accountant and shall be made available for inspection by the I-Bank upon prior written notice. The Borrower shall permit the I-Bank to inspect the Project.

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

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

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

(a) The I-Bank shall effectuate the Loan to the Borrower by making one or more disbursements to the Borrower promptly after receipt by the I-Bank of a Loan Disbursement Requisition and the approval of such Loan Disbursement Requisition by an Authorized Officer of the I-Bank or designee thereof, each such disbursement and the date thereof to be recorded by an Authorized Officer

of the I-Bank on the table attached as Exhibit A-2 hereto; provided, however, that the approval by the I-Bank of any Loan Disbursement Requisition for disbursement pursuant to the terms hereof shall be subject to the terms, conditions and limitations as set forth in Section 4(b) of this Note. It is expected that the proceeds of the Loan will be disbursed to the Borrower in accordance with Exhibit C hereto, as Exhibit C shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit C or an additional Exhibit C, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of "Project" as set forth herein). The latest date upon which the Borrower may submit to the I-Bank a Loan Disbursement Requisition is the business day immediately preceding the date fixed by the I-Bank for the sale of its ~~bonds~~ I-Bank Bonds in connection with the Anticipated Financing Program, or such alternative date as shall be identified by the I-Bank for the Borrower in writing. On the Maturity Date, the Borrower shall repay the Loan to the I-Bank in an amount equal to: (i) the Principal; (ii) the Interest; ~~(iii) the Administrative Fee, if any; and (iv) and (iii)~~ any other amounts due and owing pursuant to the provisions of this Note. The Borrower may prepay the Loan obligations hereunder, in whole or in part, upon receipt of the prior written consent of an Authorized Officer of the I-Bank. Each payment made to the I-Bank shall be applied to the payment of, first, the Interest then due and payable, second, the Principal, third, ~~the Administrative Fee, if any, fourth,~~ any late charges, and, finally, any other amount due pursuant to the provisions of this Note. In the event that the repayment obligation set forth in this Note is received by the I-Bank later than the Maturity Date, a late fee shall be payable to the I-Bank in an amount equal to the greater of twelve percent (12%) per annum or the prime rate as published in the Wall Street Journal on the Maturity Date plus one half of one percent per annum on such late payment from the Maturity Date to the date it is actually paid; provided, however, that any late payment charges incurred hereunder shall not exceed the maximum interest rate permitted by law. Notwithstanding the provisions of this Section 4(a) to the contrary, the Borrower hereby acknowledges and agrees that, on the date of issuance of this Note, a disbursement shall be made and shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto in the amount recorded thereon. Such disbursement shall be made for the purpose of funding fiftyone hundred percent (~~50~~100%) of the ~~[NJDOT Loan Origination Administrative Fee]~~. Such disbursement shall be paid by the I-Bank on behalf of the Borrower directly to the NJDOT in satisfaction of the provisions hereof.

(b) Notwithstanding the provisions of this Note to the contrary with respect to the funding, pursuant to this Section 4, of any Loan Disbursement Requisition relating to all or any portion of the Project: (i) the Borrower hereby acknowledges and agrees that the I-Bank shall not, and shall not be required to, commit funds, pursuant to the ~~Construction Financing~~Short-Term Loan Program of the I-Bank, to any portion of the Project until such time as the particular portion of the Project in question has been certified for funding by the NJDOT; (ii) no Loan Disbursement Requisition shall be approved by the I-Bank for disbursement pursuant to this Section 4 unless and until the portion of the Project to which such Loan Disbursement Requisition relates has been certified for funding by the NJDOT; (iii) no Loan Disbursement Requisition shall be approved by the I-Bank for disbursement pursuant to this Section 4 unless and until the Appropriation Condition has been satisfied to an extent and in an amount that is sufficient to fund, in the aggregate, the particular Loan Disbursement Requisition in question and all prior Loan Disbursement Requisitions; and (iv) the I-Bank has no obligation pursuant to this Note to make all or any portion of any Loan Disbursement Requisition disbursement pursuant to the provisions of this Section 4 if the Borrower lacks the authority to pay interest on this Note in an amount equal to the ~~I-Bank Portion Interest Rate~~Interest Rate; and (v) the I-Bank has no obligation pursuant to this Note to make all or any portion of any Loan Disbursement Requisition disbursement pursuant to the provisions of this Section 4 if the Borrower has violated the default limitations set forth in Section II(C) of the Terms and Conditions.

SECTION 5. Unconditional Obligations. The direct, general obligation of the Borrower to make

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

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

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

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

SECTION 8. Certain Miscellaneous Provisions. The Borrower hereby acknowledges and agrees as follows: (a) all notices hereunder shall be deemed given when hand delivered or when mailed by registered or certified mail, postage prepaid, to the Borrower at the following address: [Name and Address of Borrower, Attention: Name of Authorized Officer]; and to the I-Bank at the following address: New Jersey Infrastructure Bank, 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648-2201, Attention: Executive Director; (b) this Note shall be binding upon the Borrower and its successors and assigns; (c) in the event any provision of this Note is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof; (d) the obligations of the Borrower pursuant to the terms of this Note may not be assigned by the Borrower for any reason, unless the I-Bank shall have approved said assignment in writing; (e) this Note may not be amended, supplemented or modified without the prior written consent of the I-Bank; (f) this Note shall be governed by and construed in accordance with the laws of the State; (g) the Borrower shall, at the request of the I-Bank, execute and deliver such further instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Note; and (h) whenever the Borrower is required to obtain the determination, approval or consent of the I-Bank pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the I-Bank in its sole and absolute discretion.

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

[NAME OF BORROWER]

[SEAL]

ATTEST:

By: _____
Mayor

Clerk

By: _____
Chief Financial Officer

RESOLUTION NO. 18-xx

**RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
APPOINTING MEMBER TO THE INVESTMENT COMMITTEE**

WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”), pursuant to and in accordance with the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”) (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be, amended and supplemented (the “Act”), is authorized to invest moneys of the I-Bank not required for immediate use, including, without limitation, proceeds from the sale of any bonds, notes or other obligations, all as provided in the Act; and

WHEREAS, in response to this need, the I-Bank adopted, and thereafter amended, a policy (as amended, the “Investment Policy”) for the administration and investment management by the I-Bank, pursuant to the Act, of moneys of the I-Bank not required for immediate use, including, without limitation, cash-on-hand from fees, interest on funds, and/or proceeds from the sale of any bonds, notes or other obligations; and

WHEREAS, Resolution No. 13-40 modified the Boards Investment Committee to be comprised of the Vice Chairman, the Treasurer and the Ex-Officio Department of Environmental Protection Member, which Committee, in accordance with the Investment Policy, shall review the Investment Policy and progress of the funds; and

WHEREAS, pursuant to P.L. 2016, c. 56, the Act was amended to change the name and expand the scope of the authority of the I-Bank establishing the Transportation Infrastructure Financing Program to fund local transportation infrastructure projects; and

WHEREAS, pursuant to P.L. 2016, c. 56, the Act was amended to increase the number of the I-Bank’s Board of Directors to 10 members adding, among others, the Commissioner of the Department of Transportation; and

WHEREAS, the I-Bank received \$22.6 million in annual appropriations in SFY2017 and SFY2018 and is expected to continue to receive a similar appropriation in future years to provide seed capital for the Transportation Infrastructure Financing Program; and

WHEREAS, the I-Bank seeks to increase the size of the Investment Committee by one member adding the Ex-Officio Department of Transportation Member to the Investment Committee to have direct oversight over the I-Bank’s investment management of the annual appropriations for the Transportation Infrastructure Financing Program.

NOW THEREFORE BE IT RESOLVED THAT Resolution 13-40 is amended to increase the size of the Investment Committee to four members of the Board of Directors; and

BE IT FURTHER RESOLVED THAT the Investment Committee shall be comprised of the Vice Chairman, the Treasurer, the Ex-Officio Department of Environmental Protection Member and the Ex-Officio Department of Transportation Member.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

Agenda Item 9

RESOLUTION NO. 18 - xx

EXECUTIVE SESSION

BE IT HEREBY RESOLVED, That pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13, the members of the New Jersey Infrastructure Bank (I-Bank) hold an executive session regarding contract negotiations, personnel matters and advice from counsel.

BE IT FURTHER RESOLVED, That it is expected that discussions undertaken at this executive session will be made public once a final position is adopted by the Trust regarding such actions.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions: