February 14, 2019

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

Dear Governor Murphy:

In accordance with the provisions of the New Jersey Infrastructure Trust Act, I hereby transmit for your review and consideration the minutes of the February 14, 2019 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,

[Signature]
Mark Longo
Secretary

Enclosure
Cc:  Honorable Stephen Sweeney, President of the Senate
     Honorable Craig Coughlin, Speaker of the General Assembly
1. **CALL TO ORDER:**

   A meeting of the New Jersey Infrastructure Bank was convened on Thursday, February 14, 2019 in the conference room of 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey. Vice Chairman Briant called the meeting to order at 10:03 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. Moore, and Ms. Rankin all responded affirmatively.

**DIRECTORS**

- Robert A. Briant, Jr., Vice Chairman
- Mark Longo, Secretary
- Roger Ellis, Treasurer
- Michele Putnam
  (for DEP Commissioner Catherine R. McCabe)
- David Moore *
  (for State Treasurer Elizabeth M Muoio)
- Laine Rankin
  (for DOT Commissioner Diane Gutierrez-Scaccetti)

**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
- Adam Sternbach, Governor’s Authorities Unit
- Jeet Gulati, Deputy Attorney General
- Richard Nolan, McCarter & English LLP
- Geoffrey Stewart, Public Financial Management
- Dorit Kressel, Chiesa Shahinian Giantomasi PC
- Renee Boicourt, Lamont Financial

(*) Participated via teleconference
4. APPROVAL OF THE MINUTES:

Vice Chairman Briant opened discussion of the minutes of the I-Bank’s January 2019 Board meeting.

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

Mr. Longo moved for the approval of the minutes. Ms. Putnam seconded the motion. The motion was carried with 6 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 February 11, 2019,** Executive Director Zimmer and Legal and Compliance Officer Karp met with representatives from the NJ Board of Public Utilities (BPU) to discuss potential co-funding efforts;
- **On February 1, 2019,** Senior Staff of the I-Bank and DEP participated in a meeting with representatives of the Jersey Water Works Collaborative regarding recommendations of the Lead Drinking Water Task Force;
- **On January 30, 2019,** Executive Director Zimmer and CFO Kaltman participated on a conference call with representatives of EPA-WIFIA regarding loan documents and covenants for the SRF-WIN WIFIA Financing Program;
- **On January 29, 2019,** Senior Staff members from the I-Bank, NJDOT, Bond Counsel and Financial Advisors met with FHWA representatives to discuss potential funding through the Federal TIFIA program;
- **On January 25, 2019,** Executive Director Zimmer and Assistant Director & COO Scangarella attended the quarterly County Engineers meeting at DOT headquarters;
- The next I-Bank Board meeting is scheduled for **Thursday, March 14, 2019** at 10:00 am at the I-Bank’s offices.

A copy of the announcements is available on the I-Bank’s webpage [https://www.njib.gov/board-agenda/](https://www.njib.gov/board-agenda/) (locate under “Governance”, “Board Meeting Agendas”, then select “Minutes”, the announcements will be at the end of the file.)

There were no comments or questions.

6. PUBLIC COMMENTS:

Vice Chairman Briant invited comments from the public. There were no comments.
7. **UNFINISHED BUSINESS:**

A. Mr. Shymon, of the NJDEP’s Municipal Finance and Construction Element, reported that there are 265 active projects totaling $1,458,687,073 and 1,305 closed projects with loans totaling $5,948,321,118 for a grand total of 1,570 projects at $7,407,008,191.

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

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* Excludes Asset Management Certifications

Assistant Director & COO Scangarella next reviewed current expressions of interest, funding allocations and funding commitments in the **Transportation Bank**.

Vice Chairman Briant asked how much leverage the Program might achieve if it were to put up funds as collateral for the TIFIA Rural Loan Program. Executive Director Zimmer guesstimated that the Program might be able to borrow up to 10 times the amount of funds the I-Bank would provide as collateral for project financing.

There were no further comments or questions.

C. Next, Executive Director Zimmer reported that there were no outstanding Requests for Proposals.

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

- The I-Bank received 11 new applications in January for Construction and SAIL Loan financing totaling $31.3 million.
  - The I-Bank has received 53 Construction and SAIL Loan applications through January 31, 2019 totaling $343.3 million.
• The I-Bank closed 0 Construction Loan applications in January.
  o The I-Bank has 97 Construction and SAIL Loan’s outstanding to-date totaling $741.5 million.

• The I-Bank disbursed $20.7 million of funds to 20 projects in January.
  o 92 projects with open Construction and SAIL Loans have received disbursements from the I-Bank through January 31, 2019 totaling $280.7 million, or approximately 37.85% of the outstanding short-term loan balance.

**Status of the Transportation Construction Loan Programs:**

• The Transportation Bank received 1 new application for Construction Loan financing in January totaling $9.91 million.
  o The Transportation Bank has a total of 1 Loan application outstanding through January 31, 2019 for $9.91 million.

• The Transportation Bank closed 0 loans in January.
  o The Transportation Bank has 1 closed loan outstanding totaling $2.5 million.

• The Transportation Bank disbursed $0 in January.
  o 1 project with an open Construction Loan has received disbursements from the Transportation Bank through January 31, 2019 totaling $2,300.

There were no comments or questions.

E. Executive Director Zimmer presented the Board with the annual status update regarding Board actions authorized during the previous calendar year. The Board approved 65 Resolutions in 2018, 59 of which have been fully executed. Of the remaining six Resolutions, three are authorizations for short-term loans for amounts greater that $15 million, two of these projects should close on their loan by the end of SFY2019, while the third project is still under review. One Resolution authorizes a direct I-Bank long-term loan and the project is still under review. One Resolution authorizes the issuance of an RFP for technical security oversight which is anticipated to be issued to the public within the next quarter. The last Resolution addresses compensation adjustments which should be finalized within the next quarter.

8. **NEW BUSINESS:**

A. Executive Director Zimmer advised that this Resolution has been deferred.
B. Executive Director Zimmer introduced the I-Bank’s Chief Budget Officer Hansbury to present Resolution No. 19-06 accepting the December 2018 Treasurer’s Report.

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. Ellis and seconded by Mr. Longo. The motion was carried with 6 members voting in favor of the motion.

C. Executive Director Zimmer introduced CFO Kaltman to present Resolution No. 19-07 authorizing the issuance of an RFP for Financial Advisor Services for the Water Bank. Ms. Kaltman summarized the RFP and stated that the contract term was for a period of two years, commencing July 1, 2019 through June 30, 2021, with an option to extend the term of the contract for two additional one-year terms upon further approval of the Board.

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

The resolution was moved for adoption by Mr. Longo and seconded by Ms. Putnam. The motion was carried with 6 members voting in favor of the motion.

D. Executive Director Zimmer introduced CFO Kaltman to present Resolution No. 19-08 authorizing the issuance of an RFP for Investment Services for the I-Bank. Ms. Kaltman summarized the RFP and stated that the contract term was for a period of two years commencing July 1, 2019 through June 30, 2021, with an option to extend the contract term for two additional one-year terms upon further approval by the Board.

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

The resolution was moved for adoption by Mr. Longo and seconded by Mr. Ellis. The motion was carried with 6 members voting in favor of the motion.
E. Executive Director Zimmer introduced Legal and Compliance Officer Karp to present Resolution No. 19-09. Ms. Karp advised this Resolution authorizes the implementation of the State Fiscal Year (SFY) 2020 Water Bank Construction Financing Program, pursuant to which the I-Bank will make construction loans to qualifying Borrowers to finance the costs of environmental projects during construction. The Resolution also authorizes the solicitation of proposals from financial institutions for purposes of establishing a private line of capital. Contract award of such is subject to Board approval.

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

The resolution was moved for adoption by Mr. Longo and seconded by Ms. Putnam. The motion was carried with 6 members voting in favor of the motion.

F. Executive Director Zimmer introduced Assistant Director & COO Scangarella to present Resolution No. 19-10. Mr. Scangarella advised this Resolution authorizes the SFY2020 Transportation Bank Construction Loan Program, pursuant to which the Infrastructure Bank will make short-term loans to qualifying borrowers to finance the costs of transportation projects during construction. The Resolution also authorizes the solicitation of proposals from financial institutions for purposes of establishing a private line of capital. Contract award of such is subject to Board approval.

Assistant Director & COO 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. Ellis and seconded by Ms. Rankin. The motion was carried with 6 members voting in favor of the motion.

G. Executive Director Zimmer introduced Resolution No. 19-11 authorizing those actions that must be taken by the I-Bank to prepare for the sale of the I-Bank’s SFY2019 Spring Bond pool prior to the adoption by the Board of the Bond Resolutions.

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. Longo and seconded by Ms. Putnam. The motion was carried with 6 members voting in favor of the motion.

9. **EXECUTIVE SESSION:**

Vice Chairman Briant asked if there was a need for an Executive Session. Executive Director Zimmer responded there was not.
Vice Chairman Briant asked Executive Director Zimmer if there was any further action required by the Board. Executive Director Zimmer answered there was not.

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

Mr. Ellis moved to adjourn the meeting. The motion was seconded by Mr. Longo. The motion was carried with 6 members voting in favor of the motion.

The meeting was adjourned at 10:49 am.
RESOLUTION NO. 19 - 06

RESOLUTION AUTHORIZING APPROVAL OF THE DECEMBER 2018 TREASURER’S REPORT

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

Adopted Date: February 14, 2019

Motion Made By: Mr. Roger Ellis

Motion Seconded By: Mr. Mark Longo

Ayes: 6

Nays: 0

Abstentions: 0
RESOLUTION NO. 19-07

RESOLUTION OF THE TRUST AUTHORIZING ISSUANCE OF A REQUEST FOR PROPOSALS FOR FINANCIAL ADVISOR SERVICES

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank") has the authority to engage the services of financial advisors as may be necessary for the operations of the I-Bank pursuant to N.J.S.A. 58:11B-5(i); and

WHEREAS, there is a need for the New Jersey Infrastructure Bank (the "I-Bank") to appoint a Financial Advisor for the SFY2020 and SFY2021 for the New Jersey Environmental Infrastructure Financing Program.

NOW THEREFORE BE IT RESOLVED THAT the I-Bank hereby authorizes the Executive Director to prepare and distribute a Request for Proposal (RFP) for such Financial Advisor Services in accordance with the provisions of Executive Order No. 26, and I-Bank Policy and Procedure No. 4.00 ("Purchase of Goods and Services"); and

BE IT FURTHER RESOLVED THAT the Executive Director is further authorized to solicit proposals, establish a committee to independently review all proposals received and to make a report and recommendation as to the selection of a Financial Advisor for a contract period of two (2) years, commencing July 1, 2019 through June 30, 2021; with an option to extend the term of the contract for two additional one-year terms upon approval by the Board; and

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

Adopted Date: February 14, 2019

Motion Made By: Mr. Mark Longo

Motion Seconded By: Ms. Michele Putnam

Ayes: 6

Nays: 0

Abstentions: 0
RESOLUTION NO. 19-08

RESOLUTION AUTHORIZING ISSUANCE OF
A REQUEST FOR PROPOSALS FOR INVESTMENT ADVISORY SERVICES

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank") is organized and existing under 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

WHEREAS, pursuant to, and in accordance with Section 5(j) of the Act, the I-Bank is authorized to invest moneys of the I-Bank not required for immediate use in accordance with the Rules and Regulations of the State Investment Council or as may otherwise be approved by the Director of the Division of Investment in the Department of the Treasury;

WHEREAS, the I-Bank desires to retain the services of an Investment Advisor to ensure I-Bank Funds are managed to preserve the funds’ principal while optimizing liquidity and return objectives in a manner consistent with the I-Bank’s Investment Policy;

NOW THEREFORE BE IT RESOLVED THAT, the Executive Director of the I-Bank is authorized to prepare and distribute a Request for Proposal (RFP) for such Investment Advisory Services pursuant to I-Bank Policy and Procedure No. 4.00 (“Purchase of Goods and Services”); and

BE IT FURTHER RESOLVED THAT the Executive Director is further authorized to solicit proposals, designate a committee to independently review all proposals received, and to make a report and recommendation as to the selection of an Investment Advisor Firm to the Executive Director; and

BE IT FURTHER RESOLVED THAT the Executive Director shall present the Board with a recommendation to award a contract for Investment Advisor Services for a contract period of two (2) fiscal years, commencing July 1, 2019 through June 30, 2021, with an option to extend the contract term for two additional one-year terms upon further approval by the Board; and

BE IT FURTHER RESOLVED THAT the Executive Director is authorized to take all other actions consistent with the Procurement Policy to procure the services of an Investment Advisor.

Adopted Date: February 14, 2019

Motion Made By: Mr. Mark Longo

Motion Seconded By: Mr. Roger Ellis

Ayes: 6

Nays: 0

Abstentions: 0
RESOLUTION NO. 19-09
RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
AUTHORIZING THE WATER BANK CONSTRUCTION FINANCING PROGRAM
FOR STATE FISCAL YEAR 2020

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 regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 et seq.), as the same have been, and in the future may from time to time be, amended and supplemented (the “Regulations”), is authorized, pursuant to an interim financing program for the I-Bank’s Water Bank, 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 (each, a “Project”), provided that each such Construction 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(d), and 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 and related I-Bank policy applicable to the Water Construction Financing Program, a proposed project sponsor is eligible to be a Borrower for a Construction Loan for purposes of financing the allowable costs of the Project of such Borrower pursuant to the Water Construction Financing Program, provided each of the following conditions is satisfied in full: (i) the Project is listed on the project priority lists that have been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20 or N.J.S.A. 58:11B-20.1 (collectively, the “Priority List”); (ii) the proposed Borrower has submitted a complete application for the Project in accordance with N.J.A.C. 7:22-4.11; (iii) the proposed Borrower has complied with the I-Bank’s Credit Policy, as formally adopted by the I-Bank; (iv) the Project (or, at a minimum, an operable segment thereof) has been certified for funding by the I-Bank in accordance with N.J.A.C. 7:22-4.13; (v) the Project is in the fundable range in the forthcoming funding cycle given the Project’s rank and the anticipated availability of New Jersey Department of Environmental Protection (“NJDEP”) and I-Bank monies; and (vi) the proposed Borrower has not previously received a Construction Loan through the Water Construction Financing Program for the same project scope (exclusive of a Construction Loan made solely for the purpose of extending the term of a prior Construction Loan), which conditions shall be collectively referred to herein as the “Water 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 Regulations and (iii) this Resolution, to authorize the implementation for State Fiscal Year 2020 (“SFY2020”) of the Water Construction Financing Program for the New Jersey Water Bank of the I-Bank (the “SFY2020 Water Construction Financing Program”); and

WHEREAS, in order to provide a source of funding for the implementation of the Water Construction Financing Program for SFY2020, it is anticipated that the New Jersey State Legislature
and the Governor of the State will enact into law an appropriation act (the “Appropriation”) that will appropriate to the I-Bank, from repayments of New Jersey Water Bank loans deposited in any account, including, without limitation, the Clean Water State Revolving Fund Accounts contained within the “Wastewater Treatment Fund”, the “1992 Wastewater Treatment Fund”, the “Water Supply Fund”, the “Stormwater Management and Combined Sewer Overflow Abatement Fund”, or the Drinking Water State Revolving Fund, as appropriate, and from any net earnings received from the investment and reinvestment of such deposits, the sum of $500,000,000, such sum to be deposited in the segregated fund created by the I-Bank for the purpose of funding the SFY2020 Water Construction Financing Program; and

**WHEREAS**, in addition to the funds made available to the I-Bank pursuant to the Appropriation for purposes of the SFY2020 Water Construction Financing Program, it is the desire of the I-Bank to provide, as additional sources of funding for the SFY2020 Water Construction Financing Program, (i) net earnings with respect to New Jersey Water Bank funds held by the I-Bank and (ii) New Jersey Water Bank operating funds of the I-Bank that are not required for, or committed to, the New Jersey Water Bank operations of the I-Bank for State Fiscal Years 2020 and 2021 (collectively, the “Available I-Bank Revenues”), which Available I-Bank Revenues may be made available by the I-Bank, up to a maximum of $500,000 per Borrower and at the discretion of an Authorized Officer (as hereinafter defined), to any Borrowers participating in the SFY2020 Water Construction Financing Program; and

**WHEREAS**, with respect to the SFY2020 Water Construction Financing Program of the I-Bank and other future construction financing programs of the I-Bank for the New Jersey Water Bank (collectively, the “Current and Future Water Construction Financing Programs”), it is the desire of the I-Bank to explore, as an additional source of funding for the Current and Future Water Construction Financing Programs, the procurement by the I-Bank of a financing vehicle, including, without limitation, a revolving line of credit or other similar financial instrument, either through a competitive or negotiated process, from a financial institution (the “Credit Instrument”; the Appropriation, the Available I-Bank Revenues and the Credit Instrument shall be referred to collectively herein as the “Available Funds”), and in furtherance of such exploration, the I-Bank, through its Authorized Officers, desires to (i) discuss and explore potential structural, collateral and credit features relating to a Credit Instrument with one or more financial institutions, 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 SFY2020 Water Construction Financing Program for a Project that includes multiple operable segments, the Borrower may receive a single, combined Construction Loan for such Project, provided that (i) the Borrower has submitted to the I-Bank and the NJDEP a complete application with respect to the Project, including each operable segment of such Project, (ii) the I-Bank shall not be obligated to disburse Available Funds pursuant to such Construction 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 NJDEP, and (iii) the Borrower otherwise satisfies each of the
other applicable requirements the Act and the Regulations 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 SFY2020 Water Construction Financing Program, including, without limitation, (i) the interest rate applicable to each Construction Loan made as part of the SFY2020 Water Construction Financing Program, (ii) the maturity with respect to each Construction Loan made as part of the SFY2020 Water Construction Financing Program, and (iii) all fees applicable to each Construction Loan made as part of the SFY2020 Water Construction Financing Program and the Project financed thereby, all in a manner consistent with the applicable provisions of (i) the Act and (ii) the Regulations.

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 SFY2020 Water Construction Financing Program. The Board hereby authorizes and directs the establishment and implementation of the SFY2020 Water Construction Financing Program, subject to compliance by the I-Bank with each of the following requirements:

(a) Each Construction Loan made pursuant to the SFY2020 Water Construction Financing Program shall be funded solely from the Available Funds applicable thereto and available therefor, as and to the extent provided in the preambles hereof. The Authorized Officers are each hereby severally authorized and directed, after consultation with the Professional Advisors (as hereinafter defined), to determine the particular Available Funds that shall be allocated to, and shall be the source of funding for, any given Construction Loan made pursuant to the SFY2020 Water Construction Financing Program.

(b) Each Construction Loan made pursuant to the SFY2020 Water Construction Financing Program, and each Project (including each operable segment thereof) funded thereby, shall comply fully with the provisions of the Act and the Regulations applicable thereto, as well as the applicable terms of this Resolution.

(c) No Construction Loan shall be made pursuant to the SFY2020 Water Construction Financing Program unless and until the Water 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 Regulations and this Resolution.

(d) Each Construction Loan made pursuant to the SFY2020 Water 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 Construction Loan made by the I-Bank as part of the SFY2020 Water 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 Construction Loan repayment and other obligations, and (ii) any other documentation as shall be deemed necessary and appropriate (the instruments identified in clauses (i) and (ii) hereof shall be referred to collectively herein as 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, the “Legal Counsel”). Each Obligation shall be in substantially the applicable 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 evidenced by the signed receipt of such Obligation by such Authorized Officer. The Loan Instruments shall include such terms and provisions relating to the SFY2020 Water 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 Regulations 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 Construction Loan shall be in the stated principal amount as determined in accordance with Section 3 hereof;

(b) Each Construction Loan shall bear interest at a rate that shall be determined in accordance with the Interest Rate Calculation (as defined in Section 4 hereof), and all or any portion of such interest may be capitalized and included in the principal amount as determined in accordance with Section 3 hereof;

(c) Each Construction Loan shall have a maturity date that shall be no later than as determined in accordance with Section 5 hereof;

(d) Each Construction Loan shall be subject to the imposition of a fee (the “Administrative Fee”), in connection with the NJDEP loan origination fee applicable to a given Project, in such amount as shall be set forth in and calculated pursuant to the Financial Plan (as hereinafter defined); and

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

Section 3. Principal Amount. The principal amount of each Construction Loan (and the stated principal amount of the Obligation issued by the Borrower in connection with such Construction Loan), made as part of the SFY2020 Water Construction Financing Program, shall not exceed $15,000,000, 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 Construction 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 and capitalized interest, if any.

Section 4. Interest Rate Calculation. The rate of interest to be paid by a Borrower to the I-Bank with respect to the repayment of a Construction Loan made as part of the SFY2020 Water Construction Financing Program (the “Interest Rate Calculation”) shall be calculated by an Authorized Officer in a manner consistent with the terms and provisions of the then-applicable Financial Plan, as prepared for each State Fiscal Year and as submitted to the State Legislature by the I-Bank and the NJDEP, all pursuant to, and in satisfaction of the requirements of, sections 21, 21.1, 22 and 22.1 of the Act (the “Financial Plan”). Such Interest Rate Calculation shall be reflective of the policy goals of the I-Bank as set forth in this Resolution and the market as of the respective dates on which the Interest Rate Calculation is performed.

Section 5. Maturity Date. The maturity date with respect to any Construction Loan made as part of the SFY2020 Water 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(d), 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 SFY2020 Water Construction Financing Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations applicable thereto and the applicable terms of this Resolution, including, without limitation, satisfaction by such Borrower of the applicable Water Construction Financing Program Conditions Precedent.

Section 7. Delegation as to Project Certification. Prior to the making of any Construction Loan with respect to any Project pursuant to the SFY2020 Water Construction Financing Program, the Authorized Officers are each hereby severally authorized and directed to certify such Project for funding thorough the SFY2020 Water Construction Financing Program in accordance with the provisions of N.J.A.C. 7:22-4.13; provided, however, that as a condition precedent 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 NJDEP, and (ii) such proposed Project (including each of the operable segments thereof) shall otherwise qualify for funding through the SFY2020 Water Construction Financing Program pursuant to the terms and provisions of the Act and the Regulations 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 Construction Loan pursuant to the SFY2020 Water Construction Financing Program has been certified for funding by the Commissioner of the NJDEP, the Authorized Officers are each hereby severally authorized and directed to extend a Construction 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 Regulations and this Resolution, including, without limitation, Section 5 of this Resolution); provided, however, that the Loan Instruments relating to such Construction Loan shall provide that the I-Bank shall not disburse to the Borrower any proceeds of such Construction Loan with respect to those costs of the Project that have not been certified by the Commissioner of the NJDEP, and such prohibition upon the disbursement by the I-Bank to the Borrower of such proceeds of the Construction Loan shall continue to apply until such date as such Project costs have been certified by the Commissioner of the NJDEP.

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 SFY2020 Water 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 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 Construction Loan made by the I-Bank to a Borrower pursuant to the SFY2020 Water 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 financial institutions 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 Water 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 financial institutions 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 Water 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 award of any contract to one or more financial institutions that have 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 Water Construction Financing Programs shall be made only upon the prior authorization by official action of the Board at a future meeting thereof, at which the specific structural, collateral and credit features of the Credit Instrument shall be presented to the Board.

Section 12. Further Action. 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 to affect the transactions contemplated hereby.

Section 13. Effective Date. 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: February 14, 2019

Motion Made By: Mr. Mark Longo

Motion Seconded By: Ms. Michele Putnam

Ayes: 6

Nays: 0

Abstentions: 0
EXHIBIT A

FORMS OF OBLIGATION
NOTE
RELATING TO:
THE WATER BANK CONSTRUCTION FINANCING PROGRAM
OF THE NEW JERSEY INFRASTRUCTURE BANK

$__________________     ____________________, 201_

NJWB - CFP-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”); provided, however, that portions of the Interest may be due and payable earlier, at the time(s) and in the amount(s), as and to the extent provided in accordance with Section 4 hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Loan” means the loan of the Principal, made by the I-Bank to the Borrower to finance or refinance a portion of the Cost of the Project, as evidenced and secured by this Note.
“Loan Disbursement Requisition” means the requisition, to be executed by an Authorized Officer of the Borrower and approved by the NJDEP, in a form to be determined by the I-Bank and the NJDEP.

“Maturity Date” means June 30, 2025, subject, however, to earlier or later maturity to the extent provided by each of the following: (i) subject to such earlier date that shall be the earlier of (A) the date that shall be the second anniversary of the date of issuance of this Note, in the event that, by such date, the construction contract relating to the Project has not been certified for funding by the NJDEP, or (B) June 30 of the third State Fiscal Year following the State Fiscal Year during which the construction contract relating to the Project has been certified for funding by the NJDEP, provided that such date is prior to June 30, 2024; (ii) subject to such earlier date as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the I-Bank to be the date of the closing for the Anticipated Financing Program; or (iii) subject to such later date (subject to the then-applicable limits of the Act) to be determined by an Authorized Officer of the I-Bank in his or her sole discretion, pursuant to a written certification thereof, as acknowledged and approved by an Authorized Officer of the Borrower; subject, in all events, to the rights and remedies of the I-Bank pursuant to, respectively, the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the I-Bank of all covenants obligations of the Borrower hereunder, including, without limitation and in particular, the covenant obligation of the Borrower set forth in Section 3 hereof.

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

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

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

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

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

“State” means the State of New Jersey.

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

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

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

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

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

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

SECTION 3. Covenants of the Borrower.

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

(b) Full Faith and Credit Pledge. To secure the repayment obligation of the Borrower with respect to this Note, and all other amounts due under this Note (including, without limitation, the payment of the Administrative Fee in the amount and at the time as required by the provisions of Section 4(b) hereof), the Borrower unconditionally and irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of any and all obligations and amounts due under this Note. The Borrower acknowledges that, to assure the continued operation and solvency of the I-Bank, the I-Bank may, pursuant to and in accordance with Section 12a of the Act, require that if the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan repayments, any Interest or any other amounts due pursuant to this Note, an amount sufficient to satisfy such deficiency shall be paid by the State Treasurer to the I-Bank from State-aid otherwise payable to the Borrower.

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

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

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

(f) **Records and Accounts; Inspections.** The Borrower covenants and agrees that it shall keep accurate records and accounts for its Environmental Infrastructure System, separate and distinct from its other records and accounts, which shall be audited annually by an independent registered municipal accountant and shall be made available for inspection by the I-Bank upon prior written notice. The Borrower shall permit the I-Bank and any party designated thereby, at any and all reasonable times during construction of the Project and thereafter, upon prior written notice, to examine, visit and inspect the property, if any, constituting the Project.

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

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

**SECTION 4. Disbursement of the Loan Proceeds; Amounts Payable; Prepayment; and Late Fee.**
(a) The I-Bank shall effectuate the Loan to the Borrower by making one or more disbursements to the Borrower promptly after receipt by the I-Bank of a Loan Disbursement Requisition and the approval of such Loan Disbursement Requisition by an Authorized Officer of the I-Bank or designee thereof, each such disbursement and the date thereof to be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto; provided, however, that the approval by the I-Bank of any Loan Disbursement Requisition for disbursement pursuant to the terms hereof shall be subject to the terms, conditions and limitations as set forth in Section 4(d) of this Note. It is expected that the proceeds of the Loan will be disbursed to the Borrower in accordance with the schedule set forth in Exhibit C hereto, as Exhibit C shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit C or an additional Exhibit C, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of “Project” as set forth herein). The latest date upon which the Borrower may submit to the I-Bank a Loan Disbursement Requisition is the business day immediately preceding the date fixed by the I-Bank for the sale of its bonds in connection with the Anticipated Financing Program, or such alternative date as shall be identified by the I-Bank for the Borrower in writing.

(b) Notwithstanding the provisions of Section 4(a) to the contrary, the Borrower hereby acknowledges and agrees, as follows: (i) to the extent that all or a portion of the Interest is funded by the Loan (as provided pursuant to Exhibit B hereto, as Exhibit B may hereafter be amended or supplemented as provided by the provisions hereof), payment of such Interest shall be made to the I-Bank via one or more disbursements by the I-Bank hereunder, at the times and in the amounts, as and to the extent provided in one or more written notices provided to the Borrower pursuant to the terms hereof by an Authorized Officer of the I-Bank, and each such disbursement shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto; and (ii) on the date of issuance of this Note, a disbursement shall be made and shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto in the amount recorded thereon, with such disbursement (and any subsequent and supplemental disbursements made pursuant to Exhibit B hereto, as Exhibit B may hereafter be amended or supplemented as provided by the provisions hereof) being made for the purpose of funding fifty percent (50%) of the Administrative Fee and paid by the I-Bank on behalf of the Borrower directly to the NJDEP in satisfaction of the provisions hereof. The Borrower further acknowledges and agrees that the remaining unpaid balance of the Administrative Fee shall be due and payable on the Maturity Date or as otherwise established by the I-Bank pursuant to the Anticipated Financing Program.

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

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

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

SECTION 6. Events of Default. The following events shall constitute an “Event of Default” hereunder: (i) failure by the Borrower to pay, when due, any and all of its Loan repayment obligations hereunder, and any other payment obligations due hereunder; (ii) failure by the Borrower to observe and perform any duty, covenant, obligation or agreement on its part
SECTION 7. Remedies upon Event of Default. Whenever an Event of Default shall have occurred and be continuing pursuant to the terms hereof, the Borrower hereby acknowledges and agrees to the rights of the I-Bank to take any action permitted or required at law or in equity to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder. If an Event of Default shall have occurred, the Borrower hereby acknowledges and agrees that the I-Bank shall have the right to (i) immediately cease disbursements of the proceeds of the Loan, and/or (ii) declare all Loan repayments and all other amounts due hereunder to be due and payable immediately without further notice or demand. The Borrower hereby acknowledges and agrees that no remedy herein is intended to be exclusive, and every remedy shall be cumulative and in addition to every other remedy given under this Note or now or hereafter existing at law or in equity. The Borrower hereby further acknowledges and agrees that no delay or omission by the I-Bank to exercise any remedy or right accruing upon any Event of Default shall impair any such remedy or right or shall be construed to be a waiver thereof, but any such remedy or right may be exercised as often as may be deemed expedient. The Borrower hereby further acknowledges and agrees that, pursuant to the “New Jersey Infrastructure Bank Credit Policy”, adopted by the Board of Directors of the I-Bank, and as further amended and supplemented from time to time (the “Credit Policy”), during such time as an Event of Default has occurred and is continuing hereunder, the Borrower shall be ineligible for additional financial assistance from the I-Bank (including, without limitation, long-term financing through the Anticipated Financing Program), in addition to certain other consequences set forth in the Credit Policy. The Borrower hereby agrees that upon demand it shall pay to the I-Bank the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred in the collection of Loan repayments or any sum due hereunder or in the enforcement of the observation or performance of any obligations or agreements of the Borrower upon an Event of Default. Any moneys collected by the I-Bank pursuant to this Section 7 shall be applied first to pay any attorneys’ fees or other fees and expenses owed by the Borrower.

SECTION 8. Certain Miscellaneous Provisions. The Borrower hereby acknowledges and agrees as follows: (a) all notices hereunder shall be deemed given when hand delivered or when mailed by registered or certified mail, postage prepaid, to the Borrower at the following address: [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
EXHIBIT A-2

Loan Disbursements

<table>
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<tr>
<th>Date of Loan Disbursement</th>
<th>Amount of Loan Disbursement:</th>
<th>Applicable Interest Rate for Loan Disbursement:</th>
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FOR VALUE RECEIVED, ______________________________________, a [municipal] [county] [utilities] [sewerage] authority, acting as a public body corporate and politic with corporate succession duly created and validly existing pursuant to the laws of the State (as hereinafter defined), including, without limitation, the Borrower Enabling Act (as hereinafter defined), and its successors and assigns (the “Borrower”), hereby promises to pay to the order of the NEW JERSEY INFRASTRUCTURE BANK, a public body corporate and politic with corporate succession, duly created and validly existing under and by virtue of the Act (as hereinafter defined) (the “I-Bank”), the Principal (as hereinafter defined), together with all unpaid accrued Interest (as hereinafter defined), fees, late charges and other sums due hereunder, if any, in lawful money of the United States of America, on the Maturity Date (as hereinafter defined) or the date of any optional prepayment or acceleration in accordance with the provisions of this note (this “Note”); provided, however, that portions of the Interest may be due and payable earlier, at the time(s) and in the amount(s), as and to the extent provided in accordance with Section 4 hereof.

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

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

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

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

“Anticipated Long-Term Loan” means the long-term loan made by the I-Bank to the Borrower from the proceeds of its I-Bank Bonds, as part of the Anticipated Financing Program.
“Appropriation Condition” means the procedural appropriation by the State for the Project through the inclusion of the Project on the Project Priority List (which Project Priority List is required pursuant to the Act) in an appropriation amount equal to or greater than the Principal amount of the Loan then due and payable by the Borrower pursuant to the terms hereof.

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

“Borrower Note Resolution” means the [resolution][indenture] of the Borrower entitled “[___________________]”, adopted on [___________________], as amended and supplemented from time to time, pursuant to which this Note has been issued.

“Borrower Enabling Act” means the [“Sewerage Authorities Law”, constituting Chapter 138 of the Pamphlet Laws of 1946 of the State (codified at N.J.S.A. 40:14A-1 et seq.), as the same may from time to time be amended and supplemented] [the “Municipal and County Utilities Authorities Law”, constituting Chapter 183 of the Pamphlet Laws of 1957 of the State (codified at N.J.S.A. 40:14B-1 et seq.), as the same may from time to time be amended and supplemented].

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

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

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

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

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

“Financial Plan” means the then-applicable Financial Plan, as prepared for the then-current State Fiscal Year and as submitted to the State Legislature by the I-Bank and the NJDEP, all pursuant to, and in satisfaction of the requirements of, sections 21, 21.1, 22 and 22.1 of the Act.
“I-Bank Bonds” means the revenue bonds of the I-Bank to be issued pursuant to, and as part of, the Anticipated Financing Program.

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

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

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

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

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

“Maturity Date” means June 30, 2025, subject, however, to earlier or later maturity to the extent provided by each of the following: (i) subject to such earlier date that shall be the earlier of (A) the date that shall be the second anniversary of the date of issuance of this Note, in the event that, by such date, the construction contract relating to the Project has not been certified for funding by the NJDEP, or (B) June 30 of the third State Fiscal Year following the State Fiscal Year during which the construction contract relating to the Project has been certified for funding by the NJDEP, provided that such date is prior to June 30, 2024; (ii) subject to such earlier date as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the I-Bank to be the date of the closing for the Anticipated Financing Program; or (iii) subject to such later date (subject to the then-applicable limits of the Act) to be determined by an Authorized Officer of the I-Bank in his or her sole discretion, pursuant to a written certification thereof, as acknowledged and approved by an Authorized Officer of the Borrower; subject, in all events, to the rights and remedies of the I-Bank pursuant to, respectively, the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the I-Bank of all covenants obligations of the Borrower hereunder, including, without limitation and in particular, the covenant obligation of the Borrower set forth in Section 3 hereof.

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

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

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

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

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

“Revenues” means “[_________] Revenues” as defined in the Borrower Note Resolution.

“State” means the State of New Jersey.

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

(a) Organization. The Borrower: (i) is a [municipal][county] [utilities][sewerage] authority, acting as a public body corporate and politic with corporate succession, duly created and validly existing under and pursuant to the Constitution and laws of the State, including, without limitation, the Borrower Enabling Act, and is subject to the Local Authorities Fiscal Control Law; (ii) has full legal right and authority to execute, attest, issue and deliver this Note, to authorize the authentication of this Note, to sell this Note to the I-Bank, and to perform its obligations hereunder, and (iii) has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the issuance of this Note, the authentication of this Note, the sale thereof to the I-Bank and the due performance of its obligations hereunder and (B) the execution, delivery and due performance of all certificates and other instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out and give effect to this Note.
(b) Authority. This Note has been duly authorized by the Borrower, duly executed, attested and delivered to the I-Bank by Authorized Officers of the Borrower, and duly authenticated by the trustee or the paying agent pursuant to the Borrower Note Resolution. This Note has been duly issued by the Borrower and duly sold by the Borrower to the I-Bank and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforcement thereof may be affected by bankruptcy, insolvency or other similar laws or the application by a court of legal or equitable principles affecting creditors’ rights.

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

(d) Compliance with Existing Laws and Agreements; Governmental Consent. (i) The authorization, execution, attestation and delivery of this Note by the Borrower, (ii) the authentication of this Note by the trustee or paying agent pursuant to the Borrower Note Resolution, (iii) the adoption of the Borrower Note Resolution, (iv) the sale of this Note to the I-Bank, (v) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder, including, without limitation, the repayment of the Loan and all other amounts due hereunder, and (vi) the undertaking and completion of the Project, will not (A) other than the lien, charge or encumbrance created by this Note and by any other outstanding debt obligations of the Borrower that are at parity with this Note as to lien on, and source and security for payment thereon from, the Revenues of the Borrower’s Environmental Infrastructure System, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter, applicable law or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations are subject. The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the authorization, execution, attestation, authentication and delivery of this Note, for the issuance and sale of this Note to the I-Bank, for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Note, and for the undertaking and completion of the Project (provided, that, with respect to the undertaking and completion of the Project, such permits and approvals are obtainable by the Borrower as of the date hereof).
(e) **Reliance.** The Borrower hereby acknowledges that the I-Bank is making the Loan to the Borrower pursuant to the terms hereof in reliance upon each of the representations of the Borrower set forth in this Section 2.

**SECTION 3. Covenants of the Borrower.**

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

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

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

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

(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it shall keep accurate records and accounts for its Environmental Infrastructure System, separate and distinct from its other records and accounts, which shall be audited annually by an independent registered municipal accountant and shall be made available for inspection by the I-Bank upon prior written notice. The Borrower shall permit the I-Bank and any party designated thereby, at any and all reasonable times during construction of the Project and thereafter, upon prior written notice, to examine, visit and inspect the property, if any, constituting the Project.

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

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

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

(a) The I-Bank shall effectuate the Loan to the Borrower by making one or more disbursements to the Borrower promptly after receipt by the I-Bank of a Loan Disbursement Requisition and the approval of such Loan Disbursement Requisition by an Authorized Officer of the I-Bank or designee thereof, each such disbursement and the date thereof to be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto; provided, however, that the approval by the I-Bank of any Loan Disbursement Requisition for disbursement pursuant to the terms hereof shall be subject to the terms, conditions and limitations as set forth in Section 4(d) of this Note. It is expected that the proceeds of the Loan will be disbursed to the Borrower in accordance with the schedule set forth in Exhibit C hereto, as Exhibit C shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit C or an additional Exhibit C, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of “Project” as set forth herein). The latest date upon which the Borrower may submit to the I-Bank a Loan Disbursement Requisition is the business day immediately preceding the date fixed by the I-Bank for the sale of its bonds in connection with the Anticipated Financing Program, or such alternative date as shall be identified by the I-Bank for the Borrower in writing.

(b) Notwithstanding the provisions of Section 4(a) to the contrary, the Borrower hereby acknowledges and agrees, as follows: (i) to the extent that all or a portion of the Interest
is funded by the Loan (as provided pursuant to Exhibit B hereto, as Exhibit B may hereafter be amended or supplemented as provided by the provisions hereof), payment of such Interest shall be made to the I-Bank via one or more disbursements by the I-Bank hereunder, at the times and in the amounts, as and to the extent provided in one or more written notices provided to the Borrower pursuant to the terms hereof by an Authorized Officer of the I-Bank, and each such disbursement shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto; and (ii) on the date of issuance of this Note, a disbursement shall be made and shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto in the amount recorded thereon, with such disbursement (and any subsequent and supplemental disbursements made pursuant to Exhibit B hereto, as Exhibit B may hereafter be amended or supplemented as provided by the provisions hereof) being made for the purpose of funding fifty percent (50%) of the Administrative Fee and paid by the I-Bank on behalf of the Borrower directly to the NJDEP in satisfaction of the provisions hereof. The Borrower further acknowledges and agrees that the remaining unpaid balance of the Administrative Fee shall be due and payable on the Maturity Date or as otherwise established by the I-Bank pursuant to the Anticipated Financing Program.

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

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

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

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

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

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

Authorized Officer

Authorized Officer
TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Note is delivered pursuant to the within-mentioned Borrower Note Resolution.

__________________________________,
as Trustee

By:______________________________________
    Authorized Signatory
# EXHIBIT A-2

Loan Disbursements

<table>
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<tr>
<th>Date of Loan Disbursement</th>
<th>Amount of Loan Disbursement:</th>
<th>Applicable Interest Rate for Loan Disbursement:</th>
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[NAME OF PRIVATE BORROWER]
NOTE
RELATING TO:
THE WATER BANK CONSTRUCTION FINANCING PROGRAM
OF THE NEW JERSEY INFRASTRUCTURE BANK

$__________________     ____________________, 201_

FOR VALUE RECEIVED, __________________________________, a
corporation duly created and validly existing pursuant to the laws of the State (as hereinafter
defined), and its successors and assigns (the “Borrower”), hereby promises to pay to the order of
the NEW JERSEY INFRASTRUCTURE BANK, a public body corporate and politic with
corporate succession, duly created and validly existing under and by virtue of the Act (as
hereinafter defined) (the “I-Bank”), the Principal (as hereinafter defined), together with all
unpaid accrued Interest (as hereinafter defined), fees, late charges and other sums due hereunder,
if any, in lawful money of the United States of America, on the Maturity Date (as hereinafter
defined) or the date of any optional prepayment or acceleration in accordance with the provisions
of this note (this “Note”); provided, however, that portions of the Interest may be due and
payable earlier, at the time(s) and in the amount(s), as and to the extent provided in accordance
with Section 4 hereof.

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

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

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

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

“Anticipated Long-Term Loan” means the long-term loan made by the I-Bank to the
Borrower from the proceeds of its I-Bank Bonds, as part of the Anticipated Financing Program.
“Appropriation Condition” means the procedural appropriation by the State for the Project through the inclusion of the Project on the Project Priority List (which Project Priority List is required pursuant to the Act) in an appropriation amount equal to or greater than the Principal amount of the Loan then due and payable by the Borrower pursuant to the terms hereof.

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

“Borrower Note Resolution” means the [resolution][indenture] of the Borrower entitled “[__________________]”, [adopted on][dated] [___________________], as amended and supplemented from time to time, pursuant to which this Note has been issued.


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

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

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

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

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

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

“I-Bank Bonds” means the revenue bonds of the I-Bank to be issued pursuant to, and as part of the Anticipated Financing Program.
“Interest” means the interest that shall accrue on a daily basis with respect to Principal to be calculated each day by applying the Interest Rate established for a State Fiscal Year divided by 360 to the Principal amount on that day.

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

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

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

“Maturity Date” means June 30, 2025, subject, however, to earlier or later maturity to the extent provided by each of the following: (i) subject to such earlier date that shall be the earlier of (A) the date that shall be the second anniversary of the date of issuance of this Note, in the event that, by such date, the construction contract relating to the Project has not been certified for funding by the NJDEP, or (B) June 30 of the third State Fiscal Year following the State Fiscal Year during which the construction contract relating to the Project has been certified for funding by the NJDEP, provided that such date is prior to June 30, 2024; (ii) subject to such earlier date as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the I-Bank to be the date of the closing for the Anticipated Financing Program; or (iii) subject to such later date (subject to the then-applicable limits of the Act) to be determined by an Authorized Officer of the I-Bank in his or her sole discretion, pursuant to a written certification thereof, as acknowledged and approved by an Authorized Officer of the Borrower; subject, in all events, to the rights and remedies of the I-Bank pursuant to, respectively, the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the I-Bank of all covenants obligations of the Borrower hereunder, including, without limitation and in particular, the covenant obligation of the Borrower set forth in Section 3 hereof.

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

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

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

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

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

“State” means the State of New Jersey.

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

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

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

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

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

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

SECTION 3. Covenants of the Borrower.

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

(b) Pledge. The Borrower unconditionally and irrevocably promises to make the Loan repayments in accordance with the terms of, and to the extent provided in, the Borrower Note Resolution for the punctual repayment of the Loan and all other amounts due pursuant to
this terms of this Note (including, without limitation, the payment of the Administrative Fee in
the amount and at the time as required by the provisions of Section 4(b) hereof).

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

(d) Financing With Tax-Exempt Bonds. The Borrower acknowledges, covenants and
agrees that it is the intention of the Borrower to finance the Project, in whole or in part, on a
long-term basis with proceeds of I-Bank Bonds now or hereinafter issued, the interest on which
is excluded from gross income for purposes of federal income taxation pursuant to Section
103(a) of the Code (“tax-exempt bonds”). In furtherance of such long-term financing with
tax-exempt bonds, the Borrower covenants that, except to the extent expressly permitted in
writing by the I-Bank, in its sole discretion, the Borrower will not take any action or permit any
action to be taken which would result in any of the proceeds of the Loan being used (directly or
indirectly) to make or finance loans to persons other than the Borrower. In addition, the
Borrower covenants and agrees that (i) all of the proceeds of the Loan will be used to pay costs
of an exempt facility, within the meaning of Section 142 of the Code, which were paid and
incurred by the Borrower no more than 60 days before the date on which the I-Bank adopted a
declaration of intent with respect to the Project, and (ii) no portion of the Project will be
investment property, within the meaning of Section 148(b) of the Code. The Borrower
assumes that any Costs 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, for costs subject to the allowance for depreciation provided in Section 167
of the Code which are chargeable to the capital account of the Borrower with respect to such
exempt facility.

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

(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it
shall keep accurate records and accounts for its Environmental Infrastructure System, separate
and distinct from its other records and accounts, which shall be audited annually by an
independent registered certified public accountant and shall be made available for inspection by
the I-Bank upon prior written notice. The Borrower shall permit the I-Bank and any party
designated thereby, at any and all reasonable times during construction of the Project and
thereafter, upon prior written notice, to examine, visit and inspect the property, if any,
constituting the Project.

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

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

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

(a) The I-Bank shall effectuate the Loan to the Borrower by making one or more disbursements to the Borrower promptly after receipt by the I-Bank of a Loan Disbursement Requisition and the approval of such Loan Disbursement Requisition by an Authorized Officer of the I-Bank or designee thereof, each such disbursement and the date thereof to be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto; provided, however, that the approval by the I-Bank of any Loan Disbursement Requisition for disbursement pursuant to the terms hereof shall be subject to the terms, conditions and limitations as set forth in Section 4(d) of this Note. It is expected that the proceeds of the Loan will be disbursed to the Borrower in accordance with the schedule set forth in Exhibit C hereto, as Exhibit C shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit C or an additional Exhibit C, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of “Project” as set forth herein). The latest date upon which the Borrower may submit to the I-Bank a Loan Disbursement Requisition is the business day immediately preceding the date fixed by the I-Bank for the sale of its bonds in connection with the Anticipated Financing Program, or such alternative date as shall be identified by the I-Bank for the Borrower in writing.

(b) Notwithstanding the provisions of Section 4(a) to the contrary, the Borrower hereby acknowledges and agrees, as follows: (i) to the extent that all or a portion of the Interest is funded by the Loan (as provided pursuant to Exhibit B hereto, as Exhibit B may hereafter be amended or supplemented as provided by the provisions hereof), payment of such Interest shall be made to the I-Bank via one or more disbursements by the I-Bank hereunder, at the times and in the amounts, as and to the extent provided in one or more written notices provided to the Borrower pursuant to the terms hereof by an Authorized Officer of the I-Bank, and each such disbursement shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto; and (ii) on the date of issuance of this Note, a disbursement shall be made and shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto in the amount recorded thereon, with such disbursement (and any subsequent and supplemental disbursements made pursuant to Exhibit B hereto, as Exhibit B may hereafter be amended or supplemented as provided by the provisions hereof) being made for the purpose of funding fifty percent (50%) of the Administrative Fee and paid by the I-Bank on behalf of the Borrower directly to the NJDEP in satisfaction of the provisions hereof. The Borrower further acknowledges and agrees that the remaining unpaid balance of the Administrative Fee shall be
due and payable on the Maturity Date or as otherwise established by the I-Bank pursuant to the Anticipated Financing Program.

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

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

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

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

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

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

Authorized Officer

Authorized Officer
TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This Note is delivered pursuant to the within-mentioned Borrower Note Resolution.

______________________________,
    as Trustee

By: ______________________________

Authorized Signatory
## EXHIBIT A-2

### Loan Disbursements

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<th>Date of Loan Disbursement</th>
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RESOLUTION NO. 19-10

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
AUTHORIZING THE TRANSPORTATION BANK CONSTRUCTION FINANCING PROGRAM
FOR STATE FISCAL YEAR 2020

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 to be established by the terms of the Transportation Financing Program Project Priority List Financial Plan, to be 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 the interim transportation financing program (the “Transportation Construction Financing Program”), to make loans (each, a “Construction 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 Construction 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 any policy statements relating to the Transportation Construction Financing Program to be 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 Construction Loan for purposes of financing the allowable costs of the Transportation Bank Project of such Borrower pursuant to the Transportation 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 to be 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 to be 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 to be set forth in the Financial Plan, the Transportation Bank Project (or, at a minimum, an operable segment thereof) has been certified for funding pursuant to the terms of the Act; (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 Construction Loan through the Transportation Construction Financing Program for the same Transportation Bank Project scope (exclusive of a Construction Loan made solely for the purpose of extending the term of a prior Construction Loan) (collectively, the “Transportation 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 2020 (“SFY2020”), of the Transportation Construction Financing Program for the New Jersey Transportation
Bank of the I-Bank (the “SFY2020 Transportation Construction Financing Program”); and

WHEREAS, in order to provide a source of funding for the implementation of the SFY2020 Transportation Construction Financing Program, it is anticipated that the New Jersey State Legislature and the Governor of the State will enact into law an appropriation act for SFY2020 that will appropriate funds to the State Transportation Infrastructure Bank Fund (the “SFY2020 Appropriation”), as well as any prior year appropriation made to the I-Bank by the State for such purposes (together with the SFY2020 Appropriation, the “Appropriation”). The SFY2020 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. 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 SFY2020 Transportation Construction Financing Program; and

WHEREAS, with respect to the SFY2020 Transportation Construction Financing Program of the I-Bank and other future Transportation Construction Financing Programs of the I-Bank for the New Jersey Transportation Bank (collectively, the “Current and Future Transportation Construction Financing Programs”), it is the desire of the I-Bank to explore, as an additional source of funding for the Current and Future Transportation Construction Financing Programs, the procurement by the I-Bank of a financing vehicle, including, without limitation, a revolving line of credit or other similar financial instrument, either through a competitive or negotiated process, from financial institution (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 to be 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 financial institutions, 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 SFY2020 Transportation Construction Financing Program for a Transportation Bank Project that includes multiple operable segments, the Borrower may receive a single, combined Construction 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 Construction 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 pursuant to the terms of the Act, and (iii) the Borrower otherwise satisfies each of the other requirements of the Act and the Applicable Financial Plan (as hereinafter defined) 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 SFY2020 Transportation Construction Financing Program, including, without limitation, (i) the interest rate applicable to each SFY2020 Construction Loan, (ii) the maturity with respect to each SFY2020 Construction Loan, and (iii) all fees applicable to each SFY2020 Construction 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

**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 SFY2020 Transportation Construction Financing Program. The Board hereby authorizes and directs the establishment and implementation of the SFY2020 Transportation Construction Financing Program, subject to compliance by the I-Bank with each of the following requirements:

(a) Each Construction Loan made pursuant to the SFY2020 Transportation 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 Construction Loan made pursuant to the SFY2020 Transportation Construction Financing Program.

(b) Each Construction Loan made pursuant to the SFY2020 Transportation 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 Applicable Financial Plan, as well as the applicable terms of this Resolution.

(c) No Construction Loan shall be made pursuant to the SFY2020 Transportation Construction Financing Program unless and until the Transportation 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.

(c) Each Construction Loan made pursuant to the SFY2020 Transportation 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 Construction Loan made by the I-Bank as part of the SFY2020 Transportation 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 Construction 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 SFY2020 Transportation 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 Applicable 
Financial Plan, and (ii) the implementation of the applicable terms of this Resolution, including, without 
limitation, each of the following terms and provisions:

(a) Each Construction Loan shall be in the stated principal amount as determined in 
accordance with Section 3 hereof;

(b) Each Construction Loan shall bear interest at a rate that shall be determined in 
accordance with the Interest Rate Calculation (as defined in Section 4 hereof) and all or 
any portion of such interest may be capitalized and included in the principal amount as 
determined in accordance with Section 3 hereof and may be subject to repayment as set 
forth in the Note;

(c) Each Construction Loan shall have a maturity date that shall be no later than as 
determined in accordance with Section 5 hereof;

(d) Each Construction Loan shall be subject to the imposition of an administrative fee in such 
amount as shall be set forth in or calculated pursuant to the Financial Plan submitted 
pursuant to section 22.3 of the Act for the 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 Construction Loan shall include, as applicable, 
terms and provisions relating to the funding of a Transportation Bank Project with 
multiple operable segments via a single Construction Loan and the proper disbursement 
of such Construction Loan proceeds for the funding of each Transportation Bank Project 
operable segment.

Section 3. Principal Amount. The principal amount of each Construction Loan (and the stated 
principal amount of the Obligation issued by the Borrower in connection with such Construction Loan), 
made as part of the SFY2020 Transportation Construction Financing Program, shall not exceed 
$15,000,000, 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 Construction 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 and capitalized interest, if any.

Section 4. Interest Rate Calculation. The rate of interest to be paid by a Borrower to the I-Bank 
with respect to the repayment of a Construction Loan made as part of the SFY2020 Transportation 
Construction Financing Program (the “Interest Rate Calculation”) shall be calculated by an Authorized 
Officer in a manner consistent with the terms and provisions of the then-applicable financial plan, as
prepared for each State Fiscal Year and as submitted to the State Legislature by the I-Bank and the
NJDOT, all pursuant to, and in satisfaction of the requirements of, section 22.3 of the Act (the
“Applicable Financial Plan”). Such Interest Rate Calculation shall be reflective of the policy goals of the
I-Bank as set forth in this Resolution and the market as of the respective dates on which the Interest
Rate Calculation is performed.

Section 5. Maturity Date. The maturity date with respect to any Construction Loan made as
part of the SFY2020 Transportation 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 SFY2020 Transportation 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 Transportation Construction
Financing Program Conditions Precedent.

Section 7. Delegation as to Transportation Bank Project Certification. Prior to the making of
any Construction Loan with respect to any Transportation Bank Project pursuant to the SFY2020
Transportation Construction Financing Program, the Authorized Officers are each hereby severally
authorized and directed to certify such Transportation Bank Project for funding through the SFY2020
Transportation 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 pursuant to the terms
of the Act and (ii) such proposed Transportation Bank Project (including each of the operable segments
thereof) shall otherwise qualify for funding through the SFY2020 Transportation 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 Construction Loan pursuant
to the SFY2020 Transportation Construction Financing Program has been certified for funding pursuant
to the provisions of Section 7 hereof, the Authorized Officers are each hereby severally authorized and
directed to extend a Construction 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 Plan and this Resolution, including, without limitation, Section 3 of this
Resolution); provided, however, that the Loan Instruments relating to such Construction Loan shall
provide that the I-Bank shall not disburse to the Borrower any proceeds of such Construction Loan with
respect to those costs of the Transportation Bank Project that have not been certified and such
prohibition upon the disbursement by the I-Bank to the Borrower of such proceeds of the Construction
Loan shall continue to apply until such date as such Project costs have been certified pursuant to the
terms of the Act.

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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 SFY2020 Transportation 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 Construction Loan made by the I-Bank to a Borrower pursuant to the SFY2020 Transportation 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 financial institutions, 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 Transportation 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 financial institutions, 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 Transportation 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; and

(c) The award of any contract to one or more financial institution 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 Transportation Construction Financing Programs shall be made only upon authorization by official action of the Board at a future meeting thereof, where the specific structural, collateral and credit features of the Credit Instrument shall be presented to the Board.
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: February 14, 2019

Motion Made By: Mr. Roger Ellis

Motion Seconded By: Ms. Laine Rankin

Ayes: 6

Nays: 0

Abstentions: 0
$__________________       ____________________, 20__
NJTB - STLP-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”); provided, however, that portions of the Principal and/or Interest may be due and payable earlier, at the time(s) and in the amount(s), as and to the extent provided in accordance with Section 4 hereof.

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

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

“Administrative Fee” means the fee as defined and calculated in Exhibit B hereto, which is an administrative fee that is payable by the Borrower (at the time and in the amount as is established by the provisions of Section 4(b) hereof) as a portion of the Cost of the Project that has been incurred by the Borrower for 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 as well as other projects of certain qualifying borrowers.

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

“Appropriation Condition” means the procedural appropriation by the State for the Project through the inclusion of the Project on the Project Priority List (which Project Priority List is required pursuant to the Act) in an appropriation amount equal to or greater than the Principal amount of the Loan then due and payable by the Borrower pursuant to the terms hereof.
“Authorized Officer” means any person authorized by the Borrower or the I-Bank, as the case may be, to perform any act or execute any document relating to the Loan or this Note.

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

“Construction Completion Certificate” means a certificate of the I-Bank to the effect that the construction of the Project is complete.

“Cost” or “Costs” means those costs that are allocable to the Project, as shall be determined on a project-specific basis in accordance with the 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 then-applicable Financial Plan, as prepared for the then-current State Fiscal Year and as submitted to the State Legislature by the I-Bank and the NJDOT, all pursuant to, and in satisfaction of the requirements of, section 22.3 of the Act.

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

“Interest” means the interest that shall accrue on a daily basis with respect to Principal disbursed for Project costs, other than capitalized interest, to be calculated each day by applying the Interest Rate established for a State Fiscal Year divided by 360 to the Principal amount on that day.

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

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

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

“Maturity Date” means June 30, 2024, subject, however, to earlier or later maturity to the extent provided by each of the following: (i) subject to such earlier date that shall be the earlier of (A) the date that shall be the second anniversary of the date of issuance of this Note, in the event that, by such date, the construction contract relating to the Project has not been certified for funding pursuant to the Act, or (B) June 30 of the third State Fiscal Year following the State Fiscal Year during which the construction contract relating to the Project has been certified for funding pursuant to the Act, provided that such date is prior to June 30, 2024; (ii) subject to such earlier date as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the I-Bank to be the date of the closing for the Anticipated Financing Program; or (iii) subject to such later date (subject to the then-applicable limits of the Act) to be determined by an Authorized Officer of the I-Bank in his or
her sole discretion, pursuant to a written certification thereof, as acknowledged and approved by an Authorized Officer of the Borrower; subject, in all events, to the rights and remedies of the I-Bank pursuant to, respectively, the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the I-Bank of all covenants obligations of the Borrower hereunder, including, without limitation and in particular, the covenant obligation of the Borrower set forth in Section 3 hereof.

“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.

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

“Principal” means the principal amount of the Loan, at any time being the lesser of (i) $______________, 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, net of any repayments, which Principal shall be payable by the Borrower to the I-Bank (a) on the Maturity Date or (b) 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; provided, however, that in all cases, a portion of the Principal shall be payable by the Borrower to the I-Bank prior to the Maturity Date as provided in Section 4 hereof.

“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, may be supplemented by means of either (i) the substitution of a revised and updated Exhibit A-1 for the current Exhibit A-1 or (ii) the inclusion of an additional Exhibit A-1, in either case, promptly following the certification for funding pursuant to the Act of the remaining components of the Project, as applicable, such supplement to be undertaken by an Authorized Officer of the I-Bank.

“Repayment Schedule” means a Repayment Schedule as and if provided to the Borrower pursuant to Section 4(e) hereof.

“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 hereby represents and warrants to the I-Bank as follows:

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

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

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

(d) Compliance with Existing Laws and Agreements; Governmental Consent. (i) The due authorization, execution, attestation and delivery of this Note by the Borrower and the issuance and sale of this Note to the I-Bank, (ii) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder, including, without limitation, the repayment of the Loan and all other amounts due hereunder, and (iii) the undertaking and completion of the Project, will not (A) other than the lien, charge or encumbrance created by this Note and by any other outstanding debt obligations of the Borrower that are at parity with this Note as to lien on, and source and security for payment thereon from, the general tax revenues of the Borrower, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its 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, applicable law or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its 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 (i) the
“Transportation Bank Terms and Conditions” that are attached hereto as Appendix I and made a part hereof (the “Terms and Conditions”), and (ii) the scheduling milestones that are set forth and defined in the “Project Schedule” that is attached hereto as Exhibit C and made a part hereof (the “Scheduling Milestones”). 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 (including, without limitation, the payment of the Administrative Fee in the amount and at the time as required by the provisions of Section 4(b) hereof), the Borrower unconditionally and irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of any and all obligations and amounts due under this Note. The Borrower acknowledges that, to assure the continued operation and solvency of the I-Bank, the I-Bank may, pursuant to and in accordance with Section 12a of the Act, require that if the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan repayments, any Interest or any other amounts due pursuant to this Note, an amount sufficient to satisfy such deficiency shall be paid by the State Treasurer to the I-Bank from State-aid otherwise payable to the Borrower.

(c) Disposition of 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 and any party designated thereby, at any and all reasonable times during construction of the Project and thereafter, upon prior written notice, to examine, visit and inspect the property, if any, constituting the Project.
(g) **Insurance.** The Borrower covenants and agrees that it shall maintain insurance policies providing against risk of direct physical loss, damage or destruction of its 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(d) of this Note. It is expected that the proceeds of the Loan will be disbursed to the Borrower in accordance with the schedule set forth in Exhibit C hereto, as Exhibit C shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit C or an additional Exhibit C, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of “Project” as set forth herein). The latest date upon which the Borrower may submit to the I-Bank a Loan Disbursement Requisition is the business day immediately preceding the date fixed by the I-Bank for the sale of its I-Bank Bonds in connection with the Anticipated Financing Program, or such alternative date as shall be identified by the I-Bank for the Borrower in writing.

(b) Notwithstanding the provisions of Section 4(a) to the contrary, the Borrower hereby acknowledges and agrees, as follows: (i) to the extent that all or a portion of the Interest is funded by the Loan (as provided pursuant to Exhibit B hereto, as Exhibit B may hereafter be amended or supplemented as provided by the provisions hereof), payment of such Interest shall be made to the I-Bank via one or more disbursements by the I-Bank hereunder, at the times and in the amounts, as and to the extent provided in one or more written notices provided to the Borrower pursuant to the terms hereof by an Authorized Officer of the I-Bank, and each such disbursement shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto; and (ii) on the date of issuance of this Note, a disbursement shall be made and shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto in the amount recorded thereon, with such disbursement (and any subsequent and supplemental disbursements made pursuant to Exhibit B hereto, as Exhibit B may hereafter be amended or supplemented as provided by the provisions hereof) being made for the purpose of funding fifty percent (50%) of the Administrative Fee. Such disbursement shall be paid directly by the I-Bank on behalf of the Borrower in satisfaction of the provisions hereof. The Borrower further acknowledges and agrees that the remaining unpaid balance of the Administrative Fee shall be due and payable on the Maturity Date or as otherwise established by the I-Bank pursuant to the Anticipated Financing Program.

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

(d) Notwithstanding the provisions of this Note to the contrary with respect to the funding, pursuant to Section 4(a) hereof, of any Loan Disbursement Requisition relating to all or any portion of the Project, the Borrower hereby acknowledges and agrees as follows: (i) the I-Bank shall not, and shall not be required to, commit funds, pursuant to the 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 pursuant to the Act; (ii) no Loan Disbursement Requisition shall be approved by the I-Bank for disbursement pursuant to Section 4(a) hereof unless and until the portion of the Project to which such Loan Disbursement Requisition relates has been certified for funding pursuant to the Act; (iii) no Loan Disbursement Requisition shall be approved by the I-Bank for disbursement pursuant to Section 4(a) hereof unless and until the Appropriation Condition has been satisfied to an extent and in an amount that is sufficient to fund, in the aggregate, the particular Loan Disbursement Requisition in question and all prior Loan Disbursement Requisitions; (iv) the I-Bank has no obligation pursuant to this Note to make all or any portion of any Loan Disbursement Requisition disbursement pursuant to the provisions of Section 4(a) hereof if the Borrower lacks the authority to pay interest on this Note in an amount equal to the Interest Rate; 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 Section 4(a) hereof if the Borrower has violated or otherwise failed to strictly comply with either (A) any one or more of the Terms and Conditions or (B) any one or more of the Scheduling Milestones.

(e) Notwithstanding any provision of this Note to the contrary, commencing on the first May 1 or November 1, that occurs two (2) months after the completion of the construction of the Project as evidenced by a Construction Completion Certificate, the Borrower shall be obligated to pay Principal and Interest calculated as of the date of the Construction Completion Certificate. The Principal and Interest amounts due each May 1 and November 1 shall be set forth in a written schedule (the “Repayment Schedule”) as provided to the Borrower by an Authorized Officer of the I-Bank no more than thirty (30) days after the date of the Construction Completion Certificate. In addition, on the first Payment Date the Borrower shall pay Interest, as calculated pursuant to this Loan Agreement, from the date of the Construction Completion Certificate to the first Payment Date, and shall pay Interest on each subsequent Payment Date, as calculated pursuant to this Loan Agreement, from the prior Payment Date to the subsequent Payment Date. Each payment date set forth in such Repayment Schedule shall be a “Payment Date” for purposes of this Note.

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, including, without limitation, strict compliance with the Terms and Conditions and the Scheduling Milestones (as required by the provisions of Section 3(a) hereof); (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 (a) pursuant to the “New Jersey Infrastructure Bank Credit Policy”, adopted by the Board of Directors of the I-Bank, and as further amended and supplemented from time to time (the “Credit Policy”), during such time as an Event of Default has occurred and is continuing hereunder, the Borrower shall be ineligible for additional financial assistance from the I-Bank (including, without limitation, long-term financing through the Anticipated Financing Program), in addition to certain other consequences as set forth in the Credit Policy, and (b) to the extent that an Event of Default has occurred hereunder due to the failure of the Borrower to strictly comply with the Scheduling Milestones (as required by the provisions of Section 3(a) hereof), the Project shall be subject to a reduction in base ranking as and to the extent provided in the Financial Plan. 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:

____________________
Clerk

By: ______________________
  Mayor

By: ______________________
  Chief Financial Officer
Appendix I

Transportation Bank Terms and Conditions

[to be attached]
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EXHIBIT B

Project Costs
EXHIBIT A

FORM OF OBLIGATION
RESOLUTION NO. 19-11

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 SPRING 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 March 14, 2019, 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 (Spring Pool) of the I-Bank (the “Program”), which I-Bank Bonds are expected to be issued by the I-Bank, pursuant to the Program, on or about May 23, 2019; 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 Zions Bancorporation, 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 March 14, 2019, the adoption of one or more resolutions of the I-Bank, each of which shall authorize the issuance of I-Bank Bonds pursuant to the terms and provisions of an Indenture of Trust, by and between the I-Bank and Zions Bancorporation, National Association d/b/a Zions Bank, a national banking association with trust and fiduciary powers in the State, duly appointed by the Board to act as trustee thereunder (each such resolution and the Indenture of Trust authorized thereby to be referred to collectively herein as the “I-Bank Bond Indenture”), which I-Bank Bond Indenture 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 Indenture, and (iv) certain other matters as shall be set forth in the I-Bank Bond Indenture; and

WHEREAS, prior to consideration by the Board of the I-Bank Bond Indenture, as part of the agenda of its meeting to be held on or about March 14, 2019, 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, pursuant to the Program, 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 Indenture 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, pursuant to the Program, 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, pursuant to the Program, 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, pursuant to the Program, 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: February 14, 2019

Motion Made By: Mr. Mark Longo

Motion Seconded By: Ms. Michele Putnam

Ayes: 6

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 **February 11, 2019**, Executive Director Zimmer and Legal and Compliance Officer Karp met with representatives from the NJ Board of Public Utilities (BPU) to discuss potential co-funding efforts;
- On **February 1, 2019**, Senior Staff of the I-Bank and DEP participated in a meeting with representatives of the Jersey Water Works Collaborative regarding recommendations of the Lead Drinking Water Task Force;
- On **January 30, 2019**, Executive Director Zimmer and CFO Kaltman participated on a conference call with representatives of EPA-WIFIA regarding loan documents and covenants for the SRF-WIN WIFIA Financing Program;
- On **January 29, 2019**, Senior Staff members from the I-Bank, NJDOT, Bond Counsel and Financial Advisors met with FHWA representatives to discuss potential funding through the Federal TIFIA program;
- On **January 25, 2019**, Executive Director Zimmer and Assistant Director & COO Scangarella attended the quarterly County Engineers meeting at DOT headquarters;
- On **January 24, 2019**, Executive Director Zimmer participated in a panel discussion at the NJAPA Conference regarding the WQAA Act in New Brunswick;
- Program staff participated in various meetings or conference calls to discuss pre-planning and prospective financing program participation issues with:
  - Hoboken City; **Water Bank** Project Financing
  - Linden Roselle Sewerage Authority; **Water Bank** Project Pre-Planning (5 Projects)
  - Mantua Township MUA; **Water Bank** Project Pre-Planning (3 projects)
  - Newton Town; **Water Bank** Project Pre-Planning (2 projects)
  - Jackson Township; **Transportation** Bank Project financing
- Executive Director Zimmer and Assistant Director & COO Scangarella are participating in weekly calls with Bond Counsel and FHWA representatives furthering efforts to establish the I-Bank as an eligible participant for the TIFIA loan program;
- Executive Director Zimmer continues to serve as a Steering Committee member and co-Chair of the Jersey Water Works Asset Management and Finance Committee and co-host quarterly Finance Committee meetings;
- Assistant Director and 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 working 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, March 14, 2019 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 Admin Assistant if they wish to receive hard copies.

- On **February 11, 2019**, A Transportation Bank funding advisory letter was sent to Salem County;

A copy of the announcements is available on the I-Bank’s webpage ([https://www.njib.gov/board-agenda/](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.