PUBLIC NOTICE

Public notice is hereby given that the New Jersey Infrastructure Bank ("I-Bank") Board of Directors will hold a public meeting on Friday, March 20, 2020 at 10:00 a.m., in the large conference room, at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey. Formal action may be taken at this meeting.

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

1. Call to Order – Vice-Chairperson
2. Open Public Meetings Act Statement
3. Roll Call
4. Approval of the Minutes of the February 20, 2020 Meeting
5. Announcements
6. Public Comment
7. Unfinished Business:
   A. Discussion of the Water Bank Application process (hand-out) (C. Jenkins)
   B. Discussion of the Transportation Bank Application process (hand-out) (R. Fernandez)
   C. Update on Water Bank, SAIL and Transportation Bank Short-Term Loans (D. Zimmer)
   D. Update on Outstanding I-Bank Requests for Proposals (D. Zimmer)
8. New Business:
   A.* Discussion and Acceptance of the January 2020 Treasurer’s Report; (C. Bruther)
   B.* Discussion and Approval of a Resolution Certifying SFY2020 Water Bank Projects; (D. Zimmer)
   C.* Discussion and Approval of a Resolution Authorizing the Indenture of Trust for the Environmental Infrastructure Bond Series 2020A-1 (Tax Exempt) (Green Bonds); (D. Zimmer)
   D₁* Discussion and Approval of the New Jersey Infrastructure Bank Supplemental Resolution for Environmental Infrastructure Refunding Bonds Series 2020A-R1 (Tax-Exempt) (Green Bonds); (D. Zimmer)
   D₂* Discussion and Approval of the New Jersey Infrastructure Bank Supplemental Bond Resolution for Environmental Infrastructure 2020C-R1 Refunding Bonds (Federally Taxable) (Green Bonds); (D. Zimmer)
   D₃* Discussion and Approval of the New Jersey Infrastructure Bank Supplemental Bond Resolution for Environmental Infrastructure Series 2020C-R2 Refunding Bonds (Federally Taxable) (Green Bonds); (D. Zimmer)
   E.* Discussion and Approval of a Resolution Authorizing the Award of the Trustee and Escrow Agent Contract; (J. Karp)
   F.* Approval of a Resolution Amending and Restating the I-Bank’s Credit Policy; (L. Kaltman)
   G.* Discussion and Approval of a Resolution Authorizing an SFY2020 or SFY2021 NJ Water Bank Construction Financing Program Loans to Jersey City MUA in an amount exceeding $15 million; and (L. Peterson)
   H.* Discussion and Approval of a Resolution Authorizing the procurement of Information Technology Business Continuity hardware, software, and integration services. (J. Schmidt)
9.* Executive Session (if necessary)

*ACTION ITEMS

Please note this is a proposed agenda and the New Jersey Infrastructure Bank may consider and take action on such other business, which may come before it at this public meeting. In addition, the New Jersey Infrastructure Bank may not act upon the items listed in the above-proposed agenda in its discretion.
February 20, 2020

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 20, 2020 meeting of the New Jersey Infrastructure Bank. The New Jersey Infrastructure Trust Act provides that the Governor has ten days from the delivery of the minutes, excluding weekends and holidays, to review and accept such minutes. In the event that the minutes are not acted upon within the statutory time frame by you, the minutes become effective automatically.

Sincerely,

David E. Zimmer, CFA
Assistant Secretary

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

OPEN PUBLIC MEETING
Thursday, February 20, 2020

1. CALL TO ORDER:

A meeting of the New Jersey Infrastructure Bank was convened on Thursday, February 20, 2020 in the conference room of 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey. Treasurer Ellis called the meeting to order at 10:00 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. Ellis, Mr. Longo, Mr. Kocsis, Mr. Hauch, Ms. Rankin, Mr. Kanef, and Ms. Holmes all responded affirmatively.

DIRECTORS
Roger Ellis, Treasurer
Mark Longo, Secretary*
Jack Kocsis Jr.
Paul Hauch
(for DEP Commissioner Catherine R. McCabe)
Michael Kanef*
(for State Treasurer Elizabeth M Muoio)
Laine Rankin
(for DOT Commissioner Diane Gutierrez-Scaccetti)
Kimberly Holmes
(for DCA Commissioner Sheila Oliver)

OTHERS
David E. Zimmer, Executive Director
Lauren Seidman Kaltman, Chief Financial Officer
Judy Karp, Legal and Compliance Officer
Robert Fernandez, Chief Operating Officer - Transportation
Chris Bruther, Comptroller
Charles Jenkins, DEP, Municipal Finance & Construction Elem
Joy Johnson, Governor’s Authorities Unit*
Aimee Manocchio Nason, Deputy Attorney General
Richard Nolan, McCarter & English LLP
Tricia Gasparine, Chiesa Shahinian Giantomasi PC
Bob Lamb, Lamont Financial

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

Treasurer Ellis opened discussion of the minutes of the I-Bank’s January 2020 Board meeting.

There were no comments or questions. Treasurer Ellis requested a motion for approval.

Mr. Kanef moved for the approval of the minutes. Mr. Kocsis seconded the motion. The motion was carried with all 7 members voting in favor of the motion.

5. ANNOUNCEMENTS:

Executive Director Zimmer summarized a number of the substantive events and correspondence since the last Board meeting:

- On **February 20, 2020**, Leigh Peterson, Chief Operating Officer – Water, and George Rolon, Construction Project Manager accepted the Alliance for Action’s “New Jersey’s Leading Infrastructure Projects” award as representatives of the I-Bank in honor of the Water Bank’s financing of the City of Newark Lead Service Line Replacement Phase 1 and 2 projects;
- On **February 18, 2020**, Executive Director Zimmer and CPM Rolon presented the Transportation Bank Financing Program to various municipalities in Camden County;
- On **February 11-13, 2020**, Executive Director Zimmer participated as a Board member in the USEPA’s Environmental Financial Advisory Board (EFAB) meeting in Washington, DC;
- On **February 7, 2020**, Executive Director Zimmer attended the JWW Asset Management and Finance Committee meeting held in Trenton, NJ;
- On **February 7, 2020**, Executive Director Zimmer, COO Peterson, and Charles Jenkins and Karen Cole of the DEP met with Joe Cunha, Joseph Coviello and Richard Haytas of Jersey City Municipal Utilities Authority and their representatives to discuss the status of JCMUA’s outstanding project list;
- On **February 6, 2020**, Executive Director Zimmer, accompanied by Rob Fernandez, Chief Operating Officer - Transportation, and CPM Rolon presented the Transportation Bank Financing Program at the Alliance for Action’s “Inside Scoop” meeting in Edison, NJ;
- On **January 31, 2020**, Executive Director Zimmer, COO Peterson, and CPM Rolon, met with Bradley Waugh and Chris Testa of NJOEM, Dan Kelly, Executive Director of NJ GORR and Joy Johnson, Associate Counsel for the Authorities Unit to discuss FEMA BRIC Financing at the I-Bank’s Office;
- On **January 29, 2020**, Executive Director Zimmer met with Board Secretary Mark Longo and Greg Lalevee, Chairman of Elec 825 to discuss the construction pipelines in the I-Bank’s financing programs;
- On **January 22, 2020**, Executive Director Zimmer participated in a conference call hosted by the USEPA EFAB Board regarding Federal financing incentives for Opportunity Zones;
- On **January 21, 2020**, Executive Director Zimmer, Assistant Director and Chief Legal & Compliance Officer, Karp and COO Peterson met with Bob Allen and Stacy McCormack of The Nature Conservancy to discuss collaboration strategies at the I-Bank’s Offices;
- On **January 17, 2020**, Executive Director Zimmer, COO Peterson, and Eugene Chebra, Charles Jenkins and Karen Cole of the DEP; met with representatives from Richwood Development – Harrison Township and Maser Consulting to discuss potential project financing at the I-Bank Office;
The next I-Bank Board meeting is scheduled for Friday, March 20, 2020 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/nj/Board+Information.3 (locate under “Board Information”, “2020 Board Meetings”, then select “Minutes”, the announcements will be at the end of the file.)

There were no comments or questions.

6. **PUBLIC COMMENTS:**

Treasurer Ellis invited comments from the public. There were no comments.

7. **UNFINISHED BUSINESS:**

A. Charles Jenkins of the DEP’s Municipal Finance and Construction Element gave the status of the Water Bank Loan applications reporting that 35 projects have been certified or received Authorization to Award since July 1, 2019 totaling $260.1 million, and an additional 35 projects have received Authorization to Advertise totaling $766.5 million.

There were no comments or questions.

B. COO Fernandez discussed the status of Transportation Bank Loan applications reporting that 6 projects have received certification and concurrence of award since July 1, 2019 totaling $30.6 million and an additional 8 projects with a total value of $39 million are under design review and expected to receive certification and concurrence of award by December 31, 2020.

There were no additional comments or questions.

C. Executive Director Zimmer reported on the status of the Water Bank Construction and SAIL Loan Program noting that the I-Bank received 8 new applications since January 1, 2020 for loans totaling $94.9 million. The Program received 38 Water Bank Loan applications as of January 31, 2020 totaling $369.2 million. The Water Bank closed 2 Construction Loans since January 1, 2020 totaling $6.2 million. The Program has 165 Construction and SAIL Loan’s outstanding totaling $993.5 million. The Program disbursed $40.3 million of funds to 37 projects in January 2020. 162 projects with open Construction and SAIL Loans have received disbursements from the Water Bank through January 31, 2019 totaling $550.4 million, or approximately 55.4% of the outstanding short-term loan balance.

Executive Director Zimmer next reported on the status of the Transportation Construction Loan Program noting that the Transportation Bank received 4 new applications for financing since January 1, 2020 totaling $10.9 million. The Transportation Bank has a total of 8 Loan applications outstanding as of January 31, 2020 for $39.1 million. The Transportation Bank closed no loans since January 1, 2020. The Transportation Bank has 7 closed loans outstanding totaling $30.6 million. The Transportation Bank disbursed $24 thousand to 1 project in January 2020. 7 projects with open Construction Loans have received disbursements from the Transportation Bank through January 31, 2020 totaling $3.7 million.
There were no comments or questions.

D. Executive Director Zimmer reported the following Requests for Proposal.

On February 4, 2020, pursuant to Resolution No. 20-03, the I-Bank issued an RFP for Trustee/Escrow Agent Services for SY2021 & SFY2022. The RFP was posted on the I-Bank’s website and sent directly to 20 recipients. On February 21, 2020 the I-Bank will respond to three questions from potential bidders. Proposal are due by March 5, 2020 and a recommendation will be made to the Board at the March meeting.

E. Legal and Compliance Officer Karp and DEP’s Mr. Paul Hauch reported on the Water Bank Regulations that the stakeholder meetings are being conducted bi-weekly with the intention to have proposal publication in August 2020. The Rules Team is recommending recodification of Chapter 7:14 “Water Pollution Control Act” into Chapter 7:22, “Program Rules”.

There were no comments or questions.

F. Executive Director Zimmer presented the Board with the annual status update regarding Board actions authorized during the previous calendar year.

The Board approved 60 Resolutions in 2019, 57 of which have been fully executed. Of the remaining three Resolutions, two resolutions pertain to 3 construction loans greater than $15 million, all of which are expected to close within 60 days. The third resolution pertains to the submission of a Letter of Interest to the US FHWA for a TIFIA Loan and is currently in process.

There were no comments or questions.

8. NEW BUSINESS:

A. Executive Director Zimmer introduced Comptroller Bruther to present Resolution No. 20-05 accepting the December 2019 Treasurer’s Report.

In December 2019, the I-Bank earned $615,777 consisting of $459,984 in administrative fees, $15,241 in interest income on Direct Loans and $140,552 in investment income on cash-on-hand. I-Bank has earned $3,869,229 to-date or 92% of the SFY2020 budgeted amount. The I-Bank incurred expenses during the month of December for products and services totaling $407,329. The I-Bank has incurred expenses to-date totaling $3,051,043 or 70% of the SFY2020 YTD budgeted amount

Comptroller Bruther asked if there were any comments or questions. Hearing none, Treasurer Ellis requested a motion for approval.

The resolution was moved for adoption by Mr. Kocsis and seconded by Ms. Holmes. The motion was carried with all 7 members voting in favor of the motion.

B. Executive Director Zimmer introduced Resolution No. 20-06 authorizing the SFY2021 Water Bank
Construction Financing Program, pursuant to which the I-Bank will make construction loans to qualifying Borrowers to finance the costs of water projects in anticipation of future long-term financing through the NJ Water Bank.

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

The resolution was moved for adoption by Ms. Holmes and seconded by Mr. Kocsis. The motion was carried with all 7 members voting in favor of the motion.

C. Executive Director Zimmer introduced Resolution No. 20-07 authorizing the SFY2021 Transportation Bank Construction Financing Program, pursuant to which the I-Bank will make construction loans to qualifying Borrowers to finance the costs of transportation projects in anticipation of future long-term financing through the NJ Transportation Bank.

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

The resolution was moved for adoption by Mr. Kocsis and seconded by Ms. Rankin. The motion was carried with all 7 members voting in favor of the motion.

D. Executive Director Zimmer introduced Resolution No. 20-08 authorizing the Executive Director to take the actions necessary to market and issue the I-Bank’s anticipated long-term financing bond sales (the authorization for bond issuance is expected to be presented to the Board for approval at the March 20, 2020 Board meeting).

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

The resolution was moved for adoption by Ms. Holmes and seconded by Mr. Kocsis. The motion was carried with all 7 members voting in favor of the motion.

E. Executive Director Zimmer introduced Assistant Director and Chief Legal & Compliance Officer Karp to present Resolution No. 20-09 authorizing an SFY2020 or SFY2021 NJ Water Bank Financing Program Construction Loan to the Two Rivers Water Reclamation Authority for a loan amount not to exceed $75,000,000. The project involves the construction of a new main interceptor and new pump station as well as demolition of existing structures.

Assistant Director and Chief Legal & Compliance Officer Karp asked if there were any comments or questions. Hearing none, Treasurer Ellis requested a motion for approval.

The resolution was moved for adoption by Mr. Kocsis and seconded by Ms. Holmes. The motion was carried with all 7 members voting in favor of the motion.

F. Executive Director Zimmer introduced CFO Kaltman to present Resolution No. 20-10 authorizing a one-year extension of the Custodial Banking Services contract for the Transportation Financing
Program pursuant to the terms and conditions set forth in the original agreement.

CFO Kaltman asked if there were any comments or questions. Hearing none, Treasurer Ellis requested a motion for approval.

The resolution was moved for adoption by Ms. Holmes and seconded by Mr. Longo. The motion was carried with all 7 members voting in favor of the motion.

9. **EXECUTIVE SESSION:**

Treasurer Ellis asked if there was a need for an Executive Session. Executive Director Zimmer responded there was not.

Treasurer Ellis asked Executive Director Zimmer if there was any further action required by the Board. Executive Director Zimmer answered there was not.

Treasurer Ellis then asked for a motion for an adjournment.

Ms. Holmes moved to adjourn the meeting. The motion was seconded by Mr. Kocsis. The motion was carried with all 7 members voting in favor of the motion.

The meeting was adjourned at 10:55 am.
RESOLUTION NO. 20 - 05

RESOLUTION AUTHORIZING APPROVAL OF THE
DECEMBER 2019 TREASURER’S REPORT

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank") has reviewed the Treasurer’s Report for December 2019; 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 2019 and requests that the same be entered into the record.

Adopted Date: February 20, 2020

Motion Made By: Mr. Jack Kocsis

Motion Seconded By: Ms. Kimberly Holmes

Ayes: 7

Nays: 0

Abstentions: 0
RESOLUTION NO. 20 - 06

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
AUTHORIZING THE WATER BANK CONSTRUCTION FINANCING PROGRAM
FOR STATE FISCAL YEAR 2021

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 of New Jersey (the “State”) (codified at N.J.S.A. 58:11B-1 et seq.), as the same has been, and in the future may from time to time be, amended and supplemented (the “Act”), 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 New Jersey Water Bank (the “Water Construction Financing Program”), to make loans (each, a “Construction Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of environmental infrastructure projects (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 terms and provisions of N.J.A.C. 7:22-4.47, 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 list that has been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20 or N.J.S.A. 58:11B-20.1 (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 then in effect pursuant to formal adoption 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 or for a Supplemental Short Term Loan pursuant to N.J.S.A. 58:11B-9(d)), 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 2021 (“SFY2021”) of the Water Construction Financing Program for the New Jersey Water Bank of the I-Bank (the “SFY2021 Water Construction Financing Program”); and
WHEREAS, in order to provide a source of funding for the implementation of the SFY2021 Water 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 (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 SFY2021 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 SFY2021 Water Construction Financing Program, it is the desire of the I-Bank to provide, as additional sources of funding for the SFY2021 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 2021 and 2022 (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 defined in Section 2 hereof), to any Borrowers participating in the SFY2021 Water Construction Financing Program; and

WHEREAS, with respect to the SFY2021 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 one or more financing vehicles, including, without limitation, a revolving line of credit or other similar financial instrument, either through a competitive or negotiated process, from one or more financial institutions (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 one or more Requests for Qualifications or Requests 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 SFY2021 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 any 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 of 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 SFY2021 Water Construction Financing Program, including, without limitation, (i) the interest rate applicable to each Construction Loan made as part of the SFY2021 Water Construction Financing Program, (ii) the maturity with respect to each Construction Loan made as part of the SFY2021 Water Construction Financing Program, and (iii) all fees applicable to each Construction Loan made as part of the SFY2021 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 SFY2021 Water Construction Financing Program. The Board hereby authorizes and directs the establishment and implementation of the SFY2021 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 SFY2021 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 defined in Section 11 hereof), 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 SFY2021 Water Construction Financing Program.

(b) Each Construction Loan made pursuant to the SFY2021 Water Construction Financing Program, and each Project (including each operable segment thereof) funded thereby, shall comply fully with the terms and provisions of the Act and the Regulations applicable thereto, as well as the applicable terms and provisions of this Resolution.

(c) No Construction Loan shall be made pursuant to the SFY2021 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 SFY2021 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 SFY2021 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 obligation 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 Chairperson of the I-Bank, the Vice Chairperson of the I-Bank, The Secretary 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 SFY2021 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 and provisions 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);

(c) Each Construction Loan shall have a maturity date that shall be no later than the applicable date set forth in 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 SFY2021 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.

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 SFY2021 Water Construction Financing Program (the “Interest Rate Calculation”) shall be calculated by an Authorized Officer at such times and in a manner consistent with (i) 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, all pursuant to, and in satisfaction of the requirements of, Sections 21, 21.1, 22 and 22.1 of the Act (the “Financial Plan”) and (ii) the terms and provisions of the Obligation evidencing such Construction Loan, provided that the formula for the Interest Rate Calculation shall be established by official action of the Board at a future meeting thereof. 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 SFY2021 Water Construction Financing Program, including any 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 SFY2021 Water Construction Financing Program, provided that such Borrower qualifies for such participation pursuant to the terms and provisions of the Act and the Regulations applicable thereto and the applicable terms and provisions 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 SFY2021 Water Construction Financing Program, the Authorized Officers are each hereby severally authorized and directed to certify such Project for funding through the SFY2021 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 terms and 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 SFY2021 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 SFY2021 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 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 SFY2021 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 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 next meeting of the Board during the month immediately following the execution and delivery of the Loan Instruments relating to a Construction Loan made by the I-Bank to a Borrower pursuant to the SFY2021 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, one or more Requests for Qualifications or Requests for Proposals (each, the “Credit Instrument 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. Each such Credit Instrument 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”.

The award of any contract to any financial institution that has submitted to the I-Bank a response to a Credit Instrument RFP 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 20, 2020

Motion Made By: Ms. Kimberly Holmes

Motion Seconded By: Mr. Jack Kocsis

Ayes: 7

Nays: 0

Abstentions: 0
EXHIBIT A

FORMS OF OBLIGATION
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 supplemented.

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

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

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

“Authorized Officer” means any person authorized by the Borrower or the I-Bank, as the case may be, to perform any act or execute any document relating to the Loan or this Note.
“Code” means the Internal Revenue Code of 1986, as the same may from time to time be amended and supplemented, including any regulations promulgated thereunder, any successor code thereto and any administrative or judicial interpretations thereof.

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

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

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

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

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

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

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

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

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

“Issue Date” means the date of issuance of this Note.

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

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

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

(ii) If the construction contract relating to the Project has been certified for funding pursuant to the Act prior to the Issue Date, then the Maturity Date shall be June 30 of the third State Fiscal Year following the State Fiscal Year in which the Issue Date occurs, which is June 30, 20___. In the event that there is more than one construction contract relating to the Project, the determination under this clause (ii) shall be based on the first construction contract that has been certified for funding pursuant to the Act.

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

(A) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the same State Fiscal Year as the State Fiscal Year during which the Issue Date occurs, then the Maturity Date shall be June 30, 20___, being June 30 of the third State Fiscal Year following the State Fiscal Year during which the Issue Date occurs.

(B) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the first State Fiscal Year following the State Fiscal Year during which the Issue Date occurs, then the Maturity Date shall be June 30, 20___, being June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract has been certified for funding.

(C) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the second State Fiscal Year following the State Fiscal Year during which the Issue Date occurs (but on or before the second anniversary of the Issue Date), then the Maturity Date shall be June 30, 20___, being June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract has been certified for funding.
(iv) Notwithstanding any of the foregoing, the Maturity Date shall be such earlier date as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the I-Bank to be the date of the closing for the Anticipated Financing Program;

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

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

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

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

“Principal” means the principal amount of the Loan, at any time being the lesser of (i) ______________________ 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, including, without limitation, the undertaking and completion of the Project.

(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, including, without limitation, the undertaking and completion of the Project (provided that, with respect to the undertaking and completion of the Project, such permits and approvals are obtainable by the Borrower as of the date hereof).

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 7. Remedies upon Event of Default. Whenever an Event of Default shall have occurred and be continuing pursuant to the terms hereof, the Borrower hereby acknowledges and agrees to the rights of the I-Bank to take any action permitted or required at law or in equity to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder. If an Event of Default shall have occurred, the Borrower hereby acknowledges and agrees that the I-Bank shall have the right to (i) immediately cease disbursements of the proceeds of the Loan, and/or (ii) declare all Loan repayments and all other amounts due hereunder to be due and payable immediately without further notice or demand. The Borrower hereby acknowledges and agrees that no remedy herein is intended to be exclusive, and every remedy shall be cumulative and in addition to every other remedy given under this Note or now or hereafter existing at law or in equity. The Borrower hereby further acknowledges and agrees that no delay or omission by the I-Bank to exercise any remedy or right accruing upon any Event of Default shall impair any such remedy or right or shall be construed to be a waiver thereof, but any such remedy or right may be exercised as often as may be deemed expedient. The Borrower hereby further acknowledges and agrees that, pursuant to the I-Bank’s Credit Policy, during such time as an Event of Default has occurred and is continuing hereunder, the Borrower shall be ineligible for additional financial assistance from the I-Bank (including, without limitation, long-term financing through the Anticipated Financing Program), in addition to certain other consequences set forth in the Credit Policy. The Borrower hereby agrees that upon demand it shall pay to the I-Bank the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred in the collection of Loan repayments or any sum due hereunder or in the enforcement of the observance 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; (h) whenever the Borrower is required to obtain the determination, approval or consent of the I-Bank pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the I-Bank in its sole and absolute discretion; and (i) consistent with the provisions of N.J.S.A. 58:11B-13, neither the directors of the I-Bank nor any officers of the I-Bank taking any action with respect to this Loan shall be liable personally with respect to the Loan or any matters or transactions related thereto.

[The remainder of this page has been left blank intentionally.]
IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed, sealed and delivered on the date first above written.

[NAME OF BORROWER]

[SEAL]

ATTEST:

_____________________
By:_______________________
Mayor

_____________________
By:_______________________
Chief Financial Officer

_____________________
Clerk
# EXHIBIT A-2

## Loan Disbursements

<table>
<thead>
<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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RESOLUTION NO. 20 - 07

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
AUTHORIZING THE TRANSPORTATION BANK CONSTRUCTION FINANCING PROGRAM
FOR STATE FISCAL YEAR 2021

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 of New Jersey (the “State”) (codified at N.J.S.A. 58:11B-1 et seq.), as the same has been, and in the future may from time to time be, amended and supplemented (the “Act”), and (ii) the policies to be established by the terms and provisions of the Transportation Infrastructure Financing Program Financial Plan, to be submitted to the New Jersey State Legislature (“State Legislature”) by the I-Bank, 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 SFY2021 Transportation Infrastructure Financing Program Financial Plan (“Financial Plan”); and

WHEREAS, pursuant to the terms and 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 list for the related funding cycle that has 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 then in effect pursuant to formal adoption by the I-Bank Board; (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 and provisions 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 or for a Supplemental Short Term Loan pursuant to N.J.S.A. 58:11B-9(g), or for a Construction Loan for a Transportation Bank Project that received a prior Construction Loan but lost such funds due to non-compliance with the Construction Contract Scheduled Award Date deadline and then requalified for a new 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 2021 ("SFY2021"), of the Transportation Construction Financing Program for the New Jersey Transportation Bank of the I-Bank (the “SFY2021 Transportation Construction Financing Program”); and

WHEREAS, in order to provide a source of funding for the implementation of the SFY2021 Transportation Construction Financing Program, it is anticipated that the State Legislature and the Governor of the State will enact into law an appropriation act for SFY2021 that will appropriate funds to the State Transportation Infrastructure Bank Fund (the “SFY2021 Appropriation”). The SFY2021 Appropriation in addition to any prior year appropriations made to the I-Bank by the State for such purposes are collectively referred to as the “Appropriation.” The Appropriation, as well as any investment earnings thereon, any fees earned not necessary for operation expenses, and any loan repayments or deobligations, 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 (as defined in Section 2 hereof), in his or her sole discretion, shall be deposited and held in the 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 Transportation Construction Financing Program, including the SFY2021 Transportation Construction Financing Program; and

WHEREAS, with respect to the SFY2021 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 one or more financing vehicles, including, without limitation, a revolving line of credit or other similar financial instrument, either through a competitive or negotiated process, from one or more financial institutions (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 terms and 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, 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 one or more Requests for Qualifications or Requests 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 SFY2021 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 New Jersey Department of Transportation (“NJDOT”) a complete application with respect to the Transportation Bank Project, (ii) the I-Bank shall not be obligated to disburse any Available Funds pursuant to such Construction Loan with respect to any operable segment of such Transportation Bank Project until such operable segment and the Transportation Bank Project costs applicable thereto shall have been certified pursuant to the terms and provisions of the Act, and (iii) the Borrower otherwise
satisfies each of the other requirements of the Act and the Financial Plan and the applicable terms and provisions of this Resolution; and

WHEREAS, it is the desire of the I-Bank to establish such additional terms and provisions of the SFY2021 Transportation Construction Financing Program, including, without limitation, (i) the interest rate applicable to each SFY2021 Construction Loan, (ii) the maturity with respect to each SFY2021 Construction Loan, and (iii) all fees applicable to each SFY2021 Construction Loan and the Transportation Bank Project financed thereby, as the Authorized Officers shall deem necessary and appropriate for the implementation of the SFY2021 Transportation Construction Financing Program, all in a manner consistent with the applicable terms and 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 SFY2021 Transportation Construction Financing Program. The Board hereby authorizes and directs the establishment and implementation of the SFY2021 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 SFY2021 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 defined in Section 11 hereof), 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 SFY2021 Transportation Construction Financing Program.

(b) Each Construction Loan made pursuant to the SFY2021 Transportation Construction Financing Program, and each Transportation Bank Project (including each operable segment thereof) funded thereby, shall comply fully with the terms and provisions of the Act and the Financial Plan, as well as the applicable terms and provisions of this Resolution.

(c) No Construction Loan shall be made pursuant to the SFY2021 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.

(d) Each Construction Loan made pursuant to the SFY2021 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 SFY2021 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 obligation and other obligations to the I-Bank, and (ii) any other documentation as shall be deemed necessary and appropriate (collectively, the “Loan Instruments”) by the Chairperson of the I-Bank, the Vice Chairperson of the I-Bank, the Secretary 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 evidenced by the signed receipt of such Obligation by such Authorized Officer. The Loan Instruments shall include such terms and provisions relating to the SFY2021 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 Financial Plan, and (ii) the implementation of the applicable terms and provisions 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, given the unique circumstances or credit risks of any project, all or any portion of such interest may or may not be capitalized at the sole discretion of the I-Bank 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 Obligation;

(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 for the cost of the review of the loan 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 SFY2021 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 SFY2021 Transportation Construction Financing Program (the “Interest Rate Calculation”) shall be calculated by an Authorized Officer at such times and in a manner consistent with (i) the terms and provisions of the financial plan (submitted in accordance with the requirements of section 22.3 of the Act), then in effect at the time of the Interest Rate Calculation and (ii) the terms and provisions of the Obligation evidencing such Construction Loan, provided that the formula for the Interest Rate Calculation shall be established by official action of the Board at a future meeting thereof. 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 SFY2021 Transportation Construction Financing Program, including any 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 SFY2021 Transportation Construction Financing Program, provided that such Borrower qualifies for such participation pursuant to the terms and provisions of the Act and the Financial Plan, and the applicable terms and provisions 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 SFY2021 Transportation Construction Financing Program, the Authorized Officers are each hereby severally authorized and directed to certify such Transportation Bank Project for funding through the SFY2021 Transportation Construction Financing Program in accordance with the terms and provisions of the Financial Plan; provided, however, that as a condition precedent 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 terms and provisions of Section 8 hereof), previously has been certified for funding pursuant to the terms and provisions of the Act and (ii) such proposed Transportation Bank Project (including each of the operable segments thereof) shall otherwise qualify for funding through the SFY2021 Transportation Construction Financing Program pursuant to the terms and provisions of the Act and the Financial Plan, 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 SFY2021 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 terms and provisions of the Financial Plan and this Resolution, including, without limitation, Section 3 hereof); 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 for funding pursuant to the terms and provisions of the Act, 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 costs have been certified pursuant to the terms and provisions of the Act.

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 SFY2021 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 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 next meeting of the Board during the month immediately following the execution and delivery of the Loan Instruments relating to a Construction Loan made by the I-Bank to a Borrower pursuant to the SFY2021 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, one or more Requests for Qualifications or Requests for Proposals (each, the “Credit Instrument 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. Each such Credit Instrument 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 foregoing terms and provisions of this Section 11, the award of any contract to any financial institution that has submitted to the I-Bank a response to a Credit Instrument RFP 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 20, 2020

Motion Made By: Mr. Jack Kocsis

Motion Seconded By: Ms. Laine Rankin

Ayes: 7

Nays: 0

Abstentions: 0
EXHIBIT A

FORM OF OBLIGATION
[NAME OF MUNICIPALITY/COUNTY]

NOTE

RELATING TO:

THE TRANSPORTATION BANK SHORT-TERM LOAN PROGRAM

OF THE NEW JERSEY INFRASTRUCTURE BANK

$__________________         Issue Date: ____________________, 20__

NJTB - STLP- 2020-[01]

FOR VALUE RECEIVED, ____________________________________, New Jersey, a [municipal corporation] [county] 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.

“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 hereto (as provided in the definition of “Project” as set forth herein), and (ii) as the then-current Exhibit B may be amended by subsequent changes to eligible costs as evidenced by a certificate of an Authorized Officer of the I-Bank.

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

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

“Issue Date” means the date of issuance of this Note.

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

“Loan Disbursement Requisition” means the requisition, to be executed by an Authorized Officer of the Borrower and approved by the NJDOT, in a form to be determined by the I-Bank and the NJDOT.
“Maturity Date” means the Maturity Date as determined pursuant to clauses (i) (ii) or (iii) of this definition, subject to being redetermined pursuant to clauses (iv) or (v) of this definition, but subject, in all events, to the rights and remedies of the I-Bank pursuant to the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the I-Bank of all covenants and obligations of the Borrower hereunder, including, without limitation and in particular, the covenants and obligations of the Borrower set forth in Section 3 hereof.

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

(ii) If the construction contract relating to the Project has been certified for funding pursuant to the Act on or prior to the Issue Date, then the Maturity Date shall be June 30 of the third State Fiscal Year following the State Fiscal Year in which the Issue Date occurs, which is June 30, 20__. In the event that there is more than one construction contract relating to the Project, the determination under this clause (ii) shall be based on the first construction contract that has been certified for funding pursuant to the Act.

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

(A) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the same State Fiscal Year as the State Fiscal Year during which the Issue Date occurs, then the Maturity Date shall be June 30, 20__, being June 30 of the third State Fiscal Year following the State Fiscal Year during which the Issue Date occurs.

(B) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the first State Fiscal Year following the State Fiscal Year during which the Issue Date occurs, then the Maturity Date shall be June 30, 20__, being June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract has been certified for funding.

(C) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the second State Fiscal Year following the State Fiscal Year during which the Issue Date occurs (but on or before the second anniversary of the Issue Date), then the Maturity Date shall be June 30, 20__, being June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract has been certified for funding.

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

(v) Notwithstanding any of the foregoing, the Maturity Date shall be such later date (subject to the then-applicable limits of the Act) as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, pursuant to a written certification thereof, as acknowledged and agreed by an Authorized Officer of the Borrower.
“New Jersey 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) ______________________ Dollars ($_____________), or (ii) the aggregate outstanding amount as shall actually be disbursed to the Borrower by the I-Bank, regardless of source, pursuant to one or more Loan Disbursement Requisitions, 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 hereto; provided, however, that the description of the Project, as set forth in Exhibit A attached hereto, may be supplemented by means of either (i) the substitution of a revised and updated Exhibit A for the current Exhibit A or (ii) the inclusion of an additional Exhibit A, 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] [county] 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, including, without limitation, the undertaking and completion of the Project.

(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, including, without limitation, the undertaking and completion of the Project (provided that, with respect to the undertaking and completion of the Project, such permits and approvals are obtainable by the Borrower as of the date hereof).

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

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

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

(a) **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’s terms and conditions that are attached hereto as Exhibit B and Exhibit C and made
a part hereof (the “Terms and Conditions”), including the Borrower’s obligation to meet the “Scheduled Award Date” set forth in Exhibit C (the “Scheduling Milestone”). 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 covenants and agrees that it shall permit the I-Bank (and any party designated thereby to act on its behalf or to assist it, including, without limitation, its professional advisors), at any and all reasonable times during construction of the Project and, thereafter, upon prior written notice, (i) to visit, inspect and examine the property constituting the Project and the site on which the Project is located, and (ii) to inspect (and make and retain copies of) any Borrower accounts, books, records, correspondence and files, including, without limitation, Borrower records regarding contracts, receipts, disbursements, investments and the overall financial standing of the
Borrower, and any other matters related to the Borrower, the Project and the foregoing list of deliverables. In furtherance of the intent of this subsection, the Borrower covenants and agrees that it shall promptly prepare and provide such written reports and informational summaries as the I-Bank may reasonably require.

(g) **Insurance.** The Borrower covenants and agrees that it shall maintain insurance policies providing against risk of direct physical loss, damage or destruction of its 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) **Other Funding.** The Borrower covenants and agrees that it shall promptly notify the I-Bank if it expects to receive or does receive any funding from sources other than the I-Bank to be used for the Project, including without limitation funding in the form of other loans or in the form of grants (“Other Funding”), such notification to be made no later than three (3) days after the Borrower has determined that it will receive such Other Funding. The Borrower acknowledges that the receipt of Other Funding may result in a reduction in the Loan amount, such determination to be made by and within the discretion of the I-Bank.

(i) **Exhibits.** The Borrower covenants and agrees that it shall comply with the terms, procedures and requirements as set forth in each of the Exhibits attached hereto, which are made a part hereof.

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

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

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

(b) Notwithstanding the provisions of Section 4(a) to the contrary, the Borrower hereby acknowledges and agrees, as follows: (i) to the extent that all or a portion of the Interest is funded by the Loan (as provided pursuant to Exhibit B hereto, as Exhibit B may hereafter be amended or supplemented as provided by the provisions hereof), payment of such Interest shall be made to the I-Bank via one or more
disbursements by the I-Bank hereunder, at the times and in the amounts, as and to the extent provided in one or more written notices provided to the Borrower pursuant to the terms hereof by an Authorized Officer of the I-Bank, or a designee thereof, and each such disbursement shall be recorded and maintained by an Authorized Officer of the I-Bank or a designee thereof, in the records of the I-Bank with respect to the Loan; and (ii) on the date of issuance of this Note, a disbursement shall be made by the I-Bank, and shall be recorded and maintained by an Authorized Officer of the I-Bank, or a designee thereof, in the records of the I-Bank with respect to the Loan in the amount set forth in Exhibit C hereto for the purpose of funding fifty percent (50%) of the Administrative Fee identified in Exhibit B hereto. Such disbursement shall be paid directly to the I-Bank by a draw on the proceeds of the Loan 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 terms of 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) 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 (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 has violated or otherwise failed to strictly comply with either (A) any one or more of the Terms and Conditions or (B) the Scheduling Milestone.

(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 Note, 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 Note, 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 Milestone (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 I-Bank’s Credit Policy, during such time as an Event of Default has occurred and is continuing hereunder, the Borrower shall be ineligible for additional financial assistance from the I-Bank (including, without limitation, long-term financing through the Anticipated Financing Program), in addition to certain other consequences 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 Milestone (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; (h) whenever the Borrower is required to obtain the determination, approval or consent of the I-Bank pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the I-Bank in its sole and absolute discretion; and (i) consistent with the provisions of N.J.S.A. 58:11B-13, neither the directors of the I-Bank nor any officer of the I-Bank taking any action with respect to this Loan shall be liable personally with respect to the Loan or any matters or transactions related thereto.

[The remainder of this page has been left blank intentionally.]
IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed, sealed and delivered on the date first above written.

[NAME OF BORROWER]

[SEAL]

ATTEST:  

_____________________  By:_______________________

Clerk  [Mayor][County Executive]

By:_______________________  

[Chief Financial Officer][County Treasurer]
EXHIBIT A

[Project Description]

[To be prepared by the I-Bank]
EXHIBIT B

[Project Costs]

[To be prepared by the I-Bank]
EXHIBIT C

[Project Schedule]

[To be prepared by the I-Bank]
RESOLUTION NO. 20 - 08

RESOLUTION AUTHORIZING VARIOUS ACTIONS AND FORMS OF DOCUMENTS NECESSARY FOR THE MAKING OF STATE FISCAL YEAR 2020 LOANS BY THE NEW JERSEY INFRASTRUCTURE BANK WITH PROCEEDS OF ITS ENVIRONMENTAL INFRASTRUCTURE BONDS TO BE ISSUED IN SPRING OF 2020

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 12, 2020, 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 2020 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 28, 2020; and

WHEREAS, each I-Bank Loan made pursuant to the Program by the I-Bank to a Project Sponsor for its Water Bank Project shall be made according to the terms and provisions of a loan agreement, by and between the I-Bank and the respective Project Sponsor (each, an “I-Bank Loan Agreement”); and

WHEREAS, the I-Bank, in consultation with its professional advisors, Bond Counsel 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, Bond Counsel 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 12, 2020, 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, it is the desire of the Board, in furtherance of the intent and purposes of the Program, that the Chairperson of the I-Bank, the Vice-Chairperson of the I-Bank, the Secretary 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 for its Water Bank Project 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”), (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 (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. Authorization of the I-Bank Loan Agreement. 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. Authorization of the Escrow Agreement. 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. Authorization of Escrow Closing. 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. Authorization of Execution of the I-Bank Loan Agreement, the Escrow Agreement and any other Escrowed Program Documents. 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. Authorization of Other Action in Furtherance of Escrow Closing. 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. Authorization of TEFRA Hearing. 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. Authorization of Investment Authorization Request. 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. Authorization of Other Action in Furtherance of the Program. 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. 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 20, 2020

Motion Made By: Ms. Kimberly Holmes

Motion Seconded By: Mr. Jack Kocsis

Ayes: 7

Nays: 0

Abstentions: 0
LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY INFRASTRUCTURE BANK

AND

[NAME OF BORROWER]

DATED AS OF MAY 1, 2020
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Article</th>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ARTICLE I</strong></td>
<td>1.01</td>
<td>Definitions</td>
<td>2</td>
</tr>
<tr>
<td><strong>ARTICLE II</strong></td>
<td>2.01</td>
<td>Representations of Borrower</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>2.02</td>
<td>Particular Covenants of Borrower</td>
<td>10</td>
</tr>
<tr>
<td><strong>ARTICLE III</strong></td>
<td>3.01</td>
<td>Loan; Loan Term</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>3.02</td>
<td>Disbursement of Loan Proceeds</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>3.03</td>
<td>Amounts Payable</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>3.03A</td>
<td>Unexpended Project Funds on Deposit in Project Loan Account</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>3.04</td>
<td>Unconditional Obligations</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>3.05</td>
<td>Loan Agreement to Survive Bond Indenture and I-Bank Bonds</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>3.06</td>
<td>Disclaimer of Warranties and Indemnification</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>3.07</td>
<td>Option to Prepay Loan Repayments</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>3.08</td>
<td>Priority of Loan and Fund Loan</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>3.09</td>
<td>Approval of the New Jersey State Treasurer</td>
<td>27</td>
</tr>
<tr>
<td><strong>ARTICLE IV</strong></td>
<td>4.01</td>
<td>Assignment and Transfer by I-Bank</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>4.02</td>
<td>Assignment by Borrower</td>
<td>28</td>
</tr>
<tr>
<td><strong>ARTICLE V</strong></td>
<td>5.01</td>
<td>Events of Default</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>5.02</td>
<td>Notice of Default</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>5.03</td>
<td>Remedies on Default</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>5.04</td>
<td>Attorneys’ Fees and Other Expenses</td>
<td>30</td>
</tr>
</tbody>
</table>
## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>SECTION 5.05</td>
<td>Application of Moneys</td>
<td>30</td>
</tr>
<tr>
<td>SECTION 5.06</td>
<td>No Remedy Exclusive; Waiver; Notice</td>
<td>31</td>
</tr>
<tr>
<td>SECTION 5.07</td>
<td>Retention of I-Bank’s Rights</td>
<td>31</td>
</tr>
</tbody>
</table>

## ARTICLE VI

### MISCELLANEOUS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>SECTION 6.01</td>
<td>Notices</td>
<td>32</td>
</tr>
<tr>
<td>SECTION 6.02</td>
<td>Binding Effect</td>
<td>32</td>
</tr>
<tr>
<td>SECTION 6.03</td>
<td>Severability</td>
<td>32</td>
</tr>
<tr>
<td>SECTION 6.04</td>
<td>Amendments, Supplements and Modifications</td>
<td>32</td>
</tr>
<tr>
<td>SECTION 6.05</td>
<td>Execution in Counterparts</td>
<td>33</td>
</tr>
<tr>
<td>SECTION 6.06</td>
<td>Applicable Law and Regulations</td>
<td>33</td>
</tr>
<tr>
<td>SECTION 6.07</td>
<td>Consents and Approvals</td>
<td>33</td>
</tr>
<tr>
<td>SECTION 6.08</td>
<td>Captions</td>
<td>33</td>
</tr>
<tr>
<td>SECTION 6.09</td>
<td>Benefit of Loan Agreement; Compliance with Bond Indenture</td>
<td>33</td>
</tr>
<tr>
<td>SECTION 6.10</td>
<td>Further Assurances</td>
<td>33</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCHEDULE A</td>
<td>Certain Additional Loan Agreement Provisions</td>
<td>S-1</td>
</tr>
<tr>
<td>EXHIBIT A</td>
<td>(1) Description of Project and Environmental Infrastructure System</td>
<td>A-1</td>
</tr>
<tr>
<td>EXHIBIT A</td>
<td>(2) Description of Loan</td>
<td>A-2</td>
</tr>
<tr>
<td>EXHIBIT B</td>
<td>Basis for Determination of Allowable Project Costs</td>
<td>B-1</td>
</tr>
<tr>
<td>EXHIBIT C</td>
<td>Reserved</td>
<td>C-1</td>
</tr>
<tr>
<td>EXHIBIT D</td>
<td>Specimen Borrower Bond</td>
<td>D-1</td>
</tr>
<tr>
<td>EXHIBIT E</td>
<td>Opinions of Borrower's Bond Counsel and General Counsel</td>
<td>E-1</td>
</tr>
<tr>
<td>EXHIBIT F</td>
<td>Additional Covenants and Requirements</td>
<td>F-1</td>
</tr>
<tr>
<td>EXHIBIT G</td>
<td>General Administrative Requirements for the</td>
<td>G-1</td>
</tr>
<tr>
<td>EXHIBIT H</td>
<td>Form of Continuing Disclosure Agreement</td>
<td>H-1</td>
</tr>
</tbody>
</table>
NEW JERSEY INFRASTRUCTURE BANK LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into as of May 1, 2020, by and between the NEW JERSEY INFRASTRUCTURE BANK, a public body corporate and politic with corporate succession, and the Borrower (capitalized terms used in this Loan Agreement shall have, unless the context otherwise requires, the meanings ascribed thereto in Section 1.01 hereof);

WITNESSETH THAT:

WHEREAS, the I-Bank, in accordance with the Act, the Bond Indenture and a financial plan approved by the State Legislature in accordance with Sections 22 and 22.1 of the Act, will issue its I-Bank Bonds on or prior to the Loan Closing for the purpose of making the Loan to the Borrower and the Loans to the Borrowers from the proceeds of the I-Bank Bonds to finance a portion of the Costs of Environmental Infrastructure Facilities;

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

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

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

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

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

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

SECTION 1.01. Definitions.

(a) The following terms as used in this Loan Agreement shall, unless the context clearly requires otherwise, have the following meanings:

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

“Administrative Fee” means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder as an annual fee of up to four-tenths of one percent (0.40%) of the initial principal amount of the Loan or such lesser amount, if any, as may be authorized by any act of the State Legislature and as the I-Bank may approve from time to time.

“Authorized Officer” means (i) in the case of the I-Bank, the Chairperson, Vice-Chairperson, Secretary, or Executive Director of the I-Bank, or any other person or persons designated by the I-Bank by resolution to act on behalf of the I-Bank pursuant to this Loan Agreement, and (ii) in the case of the Borrower, any person or persons authorized pursuant to a resolution or ordinance of the governing body of the Borrower, in either case, to perform any act or execute any document relating to the Loan, the Borrower Bond or this Loan Agreement.

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

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

“Borrowers” means any other Local Government Unit or Private Entity (as such terms are defined in the Regulations) authorized to construct, operate and maintain Environmental Infrastructure Facilities that have entered into Loan Agreements with the I-Bank pursuant to which the I-Bank will make Loans to such recipients from moneys on deposit in the Project Fund, excluding the Project Loan Account.

“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 Financing Program Loan” means any loan that may have been made on the date of the Loan Closing by the I-Bank to the Borrower pursuant to the Construction Financing Program of the I-Bank for the purpose of financing a portion of the Costs of the Project, and, if made and outstanding, shall be identified and described in Exhibit F hereto.

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

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

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

“Environmental Infrastructure System” means the Environmental Infrastructure Facilities of the Borrower, including the Project, described in Exhibit A-1 attached hereto and made a part hereof, a portion of the Costs of which is being financed or refinanced by the I-Bank through the making of the Loan pursuant to the terms and provisions of this Loan Agreement.

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

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

“Fund Loan” means the loan made to the Borrower by the State, acting by and through the Department, pursuant to the Fund Loan Agreement dated as of May 1, 2020 by and between the Borrower and the State, acting by and through the Department, to finance or refinance a portion of the Costs of the Project.

“Fund Loan Agreement” means the loan agreement dated as of May 1, 2020 by and between the Borrower and the State, acting by and through the Department, regarding the terms and conditions of the Fund Loan.

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

“I-Bank Bond Loan Repayments” means the repayments of the principal amount of the Loan plus the payment of any premium associated with prepaying the principal amount of the Loan in accordance with Section 3.07 hereof plus the Interest Portion.

“I-Bank Bonds” means bonds authorized by Section 2.03 of the Bond Indenture, together with any refunding bonds authenticated and delivered pursuant to Section 2.04 of the Bond Indenture, in each case issued in order to finance (i) the portion of the Loan deposited in the Project Loan Account, (ii) the portion of the Loans deposited in the balance of the Project Fund, (iii) any capitalized interest related to such bonds, and (iv) a portion of the costs of issuance related to such bonds, or to refinance any or all of the above.
“Interest on the Loan” or “Interest on the Borrower Bond” means the sum of (i) the Interest Portion, (ii) the Administrative Fee, and (iii) any late charges incurred hereunder.

“Interest Portion” means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder that is necessary to pay the Borrower’s proportionate share of interest on the I-Bank Bonds (i) as set forth in Exhibit A-2 hereof under the column heading entitled “Interest”, or (ii) with respect to any prepayment of I-Bank Bond Loan Repayments in accordance with Section 3.07 or 5.03 hereof, to accrue on any principal amount of I-Bank Bond Loan Repayments to the date of the optional redemption or acceleration, as the case may be, of the I-Bank Bonds allocable to such prepaid or accelerated I-Bank Bond Loan Repayment.

“Loan” means the loan made by the I-Bank to the Borrower to finance or refinance a portion of the Costs of the Project pursuant to this Loan Agreement, as further described in Schedule A attached hereto.

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

“Loan Agreements” means any other loan agreements entered into by and between the I-Bank and one or more of the Borrowers pursuant to which the I-Bank will make Loans to such Borrowers from moneys on deposit in the Project Fund, excluding the Project Loan Account, financed with the proceeds of the I-Bank Bonds.

“Loan Closing” means the date upon which the I-Bank shall issue and deliver the I-Bank Bonds and the Borrower shall deliver its Borrower Bond, as previously authorized, executed and attested, to the I-Bank.

“Loan Repayments” means the sum of (i) I-Bank Bond Loan Repayments, (ii) the Administrative Fee, and (iii) any late charges incurred hereunder.

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

“Loans” means the loans made by the I-Bank to the Borrowers under the Loan Agreements from moneys on deposit in the Project Fund, excluding the Project Loan Account.

“Master Program Trust Agreement” means that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the I-Bank, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities hereunder, and First Fidelity Bank, N.A. (predecessor to Wachovia Bank, National Association), in several capacities hereunder, as supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2001, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the I-Bank, as the same may be amended and supplemented from time to time in accordance with its terms.

“Preliminary Official Statement” means the Preliminary Official Statement relating to the issuance of the I-Bank Bonds.

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

“Project” means the Environmental Infrastructure Facilities of the Borrower described in Exhibit A-1 attached hereto and made a part hereof, which constitutes a project for which the I-Bank is permitted to make a loan to the Borrower pursuant to the Act, the Regulations and the Bond Indenture, a portion of the Costs of which is being financed or refinanced by the I-Bank through the making of the Loan pursuant to the terms and provisions of this Loan Agreement, and which may be identified under either the Drinking Water or Clean Water Project Lists with the Project Number specified in Exhibit A-1 attached hereto.

“Project Fund” means the Project Fund as defined in the Bond Indenture.

“Project Loan Account” means the project loan account established on behalf of the Borrower in the Project Fund in accordance with the Bond Indenture to finance all or a portion of the Costs of the Project.

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

“State” means the State of New Jersey.

“Trustee” means, initially, Zions Bancorporation, National Association d/b/a Zions Bank, the Trustee appointed by the I-Bank and its successors as Trustee under the Bond Indenture, as provided in Article X of the Bond Indenture.

“Unexpended Project Funds” shall have the meaning ascribed thereto in Section 3.03A hereof.

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

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

REPRESENTATIONS AND COVENANTS OF BORROWER

SECTION 2.01. Representations of Borrower. The Borrower represents for the benefit of the I-Bank, the Trustee and the holders of the I-Bank Bonds as follows:

(a) Organization and Authority.

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

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

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

(iv) The proceedings of the Borrower’s governing body approving this Loan Agreement and the Borrower Bond, authorizing the execution, attestation and delivery of this Loan Agreement and the Borrower Bond, authorizing the sale of the Borrower Bond to the I-Bank and authorizing the Borrower to undertake and complete the Project (collectively, the “Proceedings”) were duly published to the extent required in accordance with all applicable State law, and have been duly and lawfully adopted in accordance with the Borrower Enabling Act and all other applicable State law at a meeting or meetings that were duly called pursuant to required public notice and held in accordance with applicable State law, and at which quorums were present and acting throughout.

(v) By official action of the Borrower taken prior to or concurrent with the execution and delivery hereof, including, without limitation, the Proceedings, the Borrower has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the execution, attestation, delivery and performance of this Loan Agreement and the transactions contemplated hereby; (B) the issuance of the Borrower Bond and the sale thereof to the I-Bank upon the terms set forth herein; (C) the approval of the inclusion, if such inclusion is deemed necessary in the sole discretion of the I-Bank, in the Preliminary Official Statement and the Official Statement of all statements and information relating to the Borrower set forth in “APPENDIX B” thereto (the “Borrower
Appendices”) and any amendment thereof or supplement thereto; and (D) the execution, delivery and due performance of any and all other certificates, agreements and instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out, give effect to and consummate the transactions contemplated by this Loan Agreement, including, without limitation, the designation of the Borrower Appendices portion of the Preliminary Official Statement, if any, as “deemed final” for the purposes and within the meaning of 17 CFR 240.15c2-12, promulgated by the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 15c2-12”).

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

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

(c) Pending Litigation. There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect (i) the undertaking or completion of the Project, (ii) the properties, activities, prospects or condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System, (iii) the ability of the Borrower to make all Loan Repayments or any other payments required under this Loan Agreement, (iv) the authorization, execution, attestation or delivery of this Loan Agreement or the Borrower Bond, (v) the issuance of the Borrower Bond and the sale thereof to the I-Bank, or (vi) the Borrower’s ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond, which proceedings have not been previously disclosed in writing to the I-Bank either in the Borrower’s application for the Loan or otherwise.
(d) **Compliance with Existing Laws and Agreements.** (i) The authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond by the Borrower and the sale of the Borrower Bond to the I-Bank, (ii) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder and under the Borrower Bond, (iii) the consummation of the transactions provided for in this Loan Agreement and the Borrower Bond, and (iv) the undertaking and completion of the Project will not (A) other than the lien, charge or encumbrance created hereby, by the Borrower Bond and by any other outstanding debt obligations of the Borrower that are at parity with the Borrower Bond as to lien on, and source and security for payment thereon from, the general tax revenues of the Borrower, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations is subject.

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

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

(g) **Compliance with Law.** The Borrower:

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

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

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

(i) **Official Statement.** The descriptions and information set forth in the Borrower Appendices, if any, contained in the Official Statement relating to the Borrower, its operations and the transactions contemplated hereby, as of the date of the Official Statement, were and, as of the date of delivery hereof, are true and correct in all material respects, and did not and do not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(j) **Preliminary Official Statement.** As of the date of the Preliminary Official Statement, the descriptions and information set forth in the Borrower Appendices, if any, contained in the Preliminary Official Statement relating to the Borrower, its operations and the transactions contemplated hereby (i) were “deemed final” by the Borrower for the purposes and within the meaning of Rule 15c2-12 and (ii) were true and correct in all material respects, and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
SECTION 2.02. Particular Covenants of Borrower.

(a) Full Faith and Credit Pledge. The Borrower unconditionally and irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of the principal and redemption premium, if any, of the Borrower Bond, the Interest on the Borrower Bond and all other amounts due under the Borrower Bond, which Borrower Bond shall secure the Loan Repayments and all other amounts due under this Loan Agreement according to its terms. The Borrower acknowledges that to assure the continued operation and solvency of the I-Bank and to further secure the I-Bank Bonds, the I-Bank may, pursuant to and in accordance with Section 12a of the Act, require that if the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan Repayments, an amount sufficient to satisfy such deficiency shall be paid by the New Jersey State Treasurer to the I-Bank from State-aid otherwise payable to the Borrower.

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

(c) Completion of Project and Provision of Moneys Therefor. The Borrower covenants and agrees to exercise its best efforts in accordance with prudent environmental infrastructure utility practice to complete the Project and to accomplish such completion on or before the Project Completion Date. In undertaking and completing the Project, the Borrower covenants and agrees to comply with each of the terms and provisions contained herein, including, without limitation, the Exhibits hereto (including, without limitation, Exhibit G hereto). In order to complete the Project in satisfaction of the terms and provisions hereof, including, without limitation, the Exhibits hereto, the Borrower hereby covenants and agrees to provide from its own fiscal resources all moneys, in excess of the total amount of loan proceeds it receives pursuant to the Loan and the Fund Loan, as well as any outstanding Construction Financing Program Loan, that are required in order to complete the Project.

(d) Disposition of Environmental Infrastructure System. The Borrower shall not sell, lease, abandon or otherwise dispose of all or substantially all of its Environmental Infrastructure System except on ninety (90) days’ prior written notice to the I-Bank, and, in any event, shall not so sell, lease, abandon or otherwise dispose of the same unless the following conditions are met: (i) the Borrower shall, in accordance with Section 4.02 hereof, assign this Loan Agreement and the Borrower Bond and its rights and interests hereunder and thereunder to the purchaser or lessee
of the Environmental Infrastructure System, and such purchaser or lessee shall assume all duties, covenants, obligations and agreements of the Borrower under this Loan Agreement and the Borrower Bond; and (ii) the I-Bank shall by appropriate action determine, in its sole discretion, that such sale, lease, abandonment or other disposition will not materially adversely affect (A) the I-Bank’s ability to meet its duties, covenants, obligations and agreements under the Bond Indenture, (B) the value of this Loan Agreement or the Borrower Bond as security for the payment of I-Bank Bonds and the interest thereon, or (C) the excludability from gross income for federal income tax purposes of the interest on I-Bank Bonds then outstanding or that could be issued in the future.

(c) **Exclusion of Interest from Federal Gross Income and Compliance with Code.**

(i) **The Borrower covenants and agrees that it shall not take any action or omit to take any action that would result in the loss of the exclusion of the interest on any I-Bank Bonds now or hereafter issued from gross income for purposes of federal income taxation as that status is governed by Section 103(a) of the Code.**

(ii) **The Borrower shall not take any action or omit to take any action that would cause its Borrower Bond or the I-Bank Bonds (assuming solely for this purpose that the proceeds of the I-Bank Bonds loaned to the Borrower represent all of the proceeds of the I-Bank Bonds) to be “private activity bonds” within the meaning of Section 141(a) of the Code. Accordingly, unless the Borrower receives the prior written approval of the I-Bank, the Borrower shall not (A) permit any of the proceeds of the I-Bank Bonds loaned to the Borrower or the Project financed or refinanced with the proceeds of the I-Bank Bonds loaned to the Borrower to be used (directly or indirectly) in any manner that would constitute “private business use” within the meaning of Section 141(b)(6) of the Code, (B) use (directly or indirectly) any of the proceeds of the I-Bank Bonds loaned to the Borrower to make or finance loans to persons other than “governmental units” (as such term is used in Section 141(c) of the Code), or (C) use (directly or indirectly) any of the proceeds of the I-Bank Bonds loaned to the Borrower to acquire any “nongovernmental output property” within the meaning of Section 141(d)(2) of the Code.

(iii) **The Borrower shall not directly or indirectly use or permit the use of any proceeds of the I-Bank Bonds (or amounts replaced with such proceeds) or any other funds or take any action or omit to take any action that would cause the I-Bank Bonds (assuming solely for this purpose that the proceeds of the I-Bank Bonds loaned to the Borrower represent all of the proceeds of the I-Bank Bonds) to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.**

(iv) **The Borrower shall not directly or indirectly use or permit the use of any proceeds of the I-Bank Bonds to pay the principal of or the interest or redemption premium on or any other amount in connection with the retirement or redemption of any issue of state or local governmental obligations (“refinancing of indebtedness”), unless the Borrower shall (A) establish to the satisfaction of the I-Bank, prior to the issuance of the I-Bank Bonds, that such refinancing of indebtedness will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the I-Bank Bonds,**
and (B) provide to the I-Bank an opinion of Bond Counsel to that effect in form and substance satisfactory to the I-Bank.

(v) The Borrower shall not directly or indirectly use or permit the use of any proceeds of the I-Bank Bonds to reimburse the Borrower for an expenditure with respect to Costs of the Project paid by the Borrower prior to the issuance of the I-Bank Bonds, unless (A) the allocation by the Borrower of the proceeds of the I-Bank Bonds to reimburse such expenditure complies with the requirements of Treasury Regulations §1.150-2 that are necessary in order to enable the reimbursement allocation to be treated as an expenditure of the proceeds of the I-Bank Bonds for purposes of applying Sections 103 and 141-150, inclusive, of the Code, or (B) such proceeds of the I-Bank Bonds will be used for refinancing of indebtedness that was used to pay Costs of the Project or to reimburse the Borrower for expenditures with respect to Costs of the Project paid by the Borrower prior to the issuance of such indebtedness in accordance with a reimbursement allocation for such expenditures that complies with the requirements of Treasury Regulations §1.150-2.

(vi) The Borrower shall not directly or indirectly use or permit the use of any proceeds of the I-Bank Bonds to pay any costs, or refinance any costs, which are not Costs of the Project that constitute (A) a “capital expenditure,” within the meaning of Treasury Regulations §1.150-1, or (B) interest on the I-Bank Bonds accruing during a period commencing on the date of issuance of the I-Bank Bonds and ending on the date that is the later of (I) three years from the date of issuance of the I-Bank Bonds or (II) one year after the completion date with respect to the Project.

(vii) The Borrower shall not use the proceeds of the I-Bank Bonds (assuming solely for this purpose that the proceeds of the I-Bank Bonds loaned to the Borrower represent all of the proceeds of the I-Bank Bonds) in any manner that would cause the I-Bank Bonds to be considered “federally guaranteed” within the meaning of Section 149(b) of the Code or “hedge bonds” within the meaning of Section 149(g) of the Code.

(viii) The Borrower shall not issue any debt obligations that (A) are sold at substantially the same time as the I-Bank Bonds and finance or refinance the Loan made to the Borrower, (B) are sold pursuant to the same plan of financing as the I-Bank Bonds and finance or refinance the Loan made to the Borrower, and (C) are reasonably expected to be paid out of substantially the same source of funds as the I-Bank Bonds and finance or refinance the Loan made to the Borrower.

(ix) Neither the Borrower nor any “related party” (within the meaning of Treasury Regulations §1.150-1) shall purchase I-Bank Bonds in an amount related to the amount of the Loan.

(x) The Borrower will not issue or permit to be issued obligations that will constitute an “advance refunding” of the Borrower Bond within the meaning of Section 149(d)(5) of the Code without the express written consent of the I-Bank, which consent may only be delivered by the I-Bank after the I-Bank has received notice from the Borrower.
of such contemplated action no later than sixty (60) days prior to any such contemplated action, and which consent is in the sole discretion of the I-Bank.

(xi) The Borrower will not invest amounts held in any reserve or replacement fund of the Borrower (within the meaning of Section 148(d)(1) of the Code) that are allocable to the Borrower Bond evidencing the Loan at a yield in excess of the yield on the I-Bank Bonds, all in accordance with the instructions of the I-Bank, except for any period such amounts constitute proceeds of indebtedness of the Borrower the interest on which is excluded from gross income for purposes of federal income taxation and such amounts have not been reallocated to the I-Bank Bonds as “gross proceeds” of the I-Bank Bonds (in accordance with Treasury Regulations §1.148-6(b) or successor Treasury Regulations applicable to the I-Bank Bonds).

(xii) To the extent proceeds of the I-Bank Bonds are to be used to finance, rather than refinance, Costs of the Project, the Borrower covenants that the Borrower will satisfy the requirements of Treasury Regulations §1.148-2(e)(2) for a three (3) year temporary period with respect to such portion of the Loan. Accordingly, the Borrower represents that, based upon all of the objective facts and circumstances in existence on the date of issuance of the I-Bank Bonds, with respect to the portion of the Loan that is to be used to finance Costs of the Project, (A) within six months of the date of issuance of the I-Bank Bonds used to finance the Project, the Borrower will incur, or will have incurred, a substantial binding obligation to a third party to expend on the Project at least five percent (5%) of such “net sale proceeds” (within the meaning of Treasury Regulations §1.148-1) of the Loan used to finance the Project (treating an obligation as not being binding if it is subject to contingencies within the control of the Borrower, the I-Bank or a “related party” (within the meaning of Treasury Regulations §1.150-1)), (B) completion of such portion of the Project and the allocation to expenditures of the “net sale proceeds” of the Loan used to finance the Project will proceed with due diligence, and (C) all of the proceeds of the Loan used to finance Costs of the Project and investment earnings thereon will be spent prior to the period ending three (3) years subsequent to the date of issuance of the I-Bank Bonds used to finance the Project.

(xiii) Computed as of the issue date of the I-Bank Bonds that are issued to finance or refinance Costs of the Project, the weighted average maturity of the Loan does not exceed 120% of the average reasonably expected economic life of the Project financed or refinanced with the Loan, determined in the same manner as under Section 147(b) of the Code. Accordingly, the term of the Loan will not be longer than is reasonably necessary for the governmental purposes of the Loan within the meaning of Treasury Regulations §1.148-1(c)(4).

(xiv) The Borrower shall only enter into service contracts (including management contracts), with respect to any portion of the Project financed by the I-Bank Bonds, with a “governmental unit” (within the meaning of Section 141 of the Code) or only when any such contract: (i) meets a safe harbor as set forth in Rev. Proc. 2017-13; (ii) the contract or agreement is entered into before August 18, 2017 and is not materially amended or modified after that date, meets a safe harbor set forth in Rev. Proc. 97-13, 1997-1 C.B. 632, as modified by Rev. Proc. 2001-39; 2001-2 C.B. 38, and amplified by
Notice 2014-67; or (iii) meets a safe harbor contained in any successor guidance from the Internal Revenue Service, provided, that the Borrower delivers an opinion of Bond Counsel, in form and substance satisfactory to the I-Bank, to the effect that the entering into of such contracts by the Borrower will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the I-Bank Bonds.

(xv) The Borrower shall, within thirty (30) days of date the Borrower concludes that no additional proceeds of the Loan will be required to pay Costs of the Project, provide to the I-Bank a certificate of the Borrower evidencing such conclusion.

For purposes of this subsection and subsection (g) of this Section 2.02, quoted terms shall have the meanings given thereto by Section 148 of the Code, including, particularly, Treasury Regulations §§1.148-1 through 1.148-11, inclusive, as supplemented or amended, to the extent applicable to the I-Bank Bonds, and any successor Treasury Regulations applicable to the I-Bank Bonds.

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

(g) Records and Accounts.

(i) The Borrower shall keep accurate records and accounts for its Environmental Infrastructure System (the “System Records”) separate and distinct from its other records and accounts (the “General Records”). Such System Records shall be audited annually by an independent registered municipal accountant or certified public accountant, which may be part of the annual audit of the General Records of the Borrower. Such System Records and General Records shall be made available for inspection by the I-Bank at any reasonable time upon prior written notice, and a copy of such annual audit(s) therefor, including all written comments and recommendations of such accountant, shall be furnished to the I-Bank within 150 days of the close of the fiscal year being so audited, or such additional period of time as shall be consented to by an Authorized Officer of the I-Bank in the sole and absolute discretion thereof, subject to the application of applicable law relating to such additional period of time for the Borrower to complete its audit.

(ii) Within thirty (30) days following receipt of any Loan proceeds, including without limitation the “Allowance for Administrative Costs” or the “Allowance for Planning and Design” set forth in Exhibit B hereto, the Borrower shall allocate such proceeds to an expenditures in a manner that satisfies the requirements of Treasury Regulation §1.148-6(d) and transmit a copy of each such allocation to the I-Bank. No portion of the Allowance for Administrative Costs will be allocated to a cost other than a
cost described in N.J.A.C. 7:22-5.11(a) 3, 4, 5 or 6. No portion of the Allowance for Planning and Design will be allocated to a cost other than a cost described N.J.A.C. 7:22-5.12, or other costs of the Borrower’s Environmental Infrastructure System which are “capital expenditures,” within the meaning of Treasury Regulations §1.150-1. The Borrower shall retain records of such allocations for at least until the date that is three years after the scheduled maturity date of the I-Bank Bonds. The Borrower shall make such records available to the I-Bank within 15 days of any request by the I-Bank.

(iii) Unless otherwise advised in writing by the I-Bank, in furtherance of the covenant of the Borrower contained in subsection (f) of this Section 2.02 not to cause the I-Bank Bonds to be arbitrage bonds, the Borrower shall keep, or cause to be kept, accurate records of each investment it makes in any “nonpurpose investment” acquired with, or otherwise allocated to, “gross proceeds” of the I-Bank Bonds not held by the Trustee and each “expenditure” it makes allocated to “gross proceeds” of the I-Bank Bonds. Such records shall include the purchase price, including any constructive “payments” (or in the case of a “payment” constituting a deemed acquisition of a “nonpurpose investment” (e.g., a “nonpurpose investment” first allocated to “gross proceeds” of the I-Bank Bonds after it is actually acquired because it is deposited in a sinking fund for the I-Bank Bonds)), the “fair market value” of the “nonpurpose investment” on the date first allocated to the “gross proceeds” of the I-Bank Bonds, nominal interest rate, dated date, maturity date, type of property, frequency of periodic payments, period of compounding, yield to maturity, amount actually or constructively received on disposition (or in the case of a “receipt” constituting a deemed disposition of a “nonpurpose investment” (e.g., a “nonpurpose investment” that ceases to be allocated to the “gross proceeds” of the I-Bank Bonds because it is removed from a sinking fund for the I-Bank Bonds)), the “fair market value” of the “nonpurpose investment” on the date it ceases to be allocated to the “gross proceeds” of the I-Bank Bonds, the purchase date and disposition date of the “nonpurpose investment” and evidence of the “fair market value” of such property on the purchase date and disposition date (or deemed purchase or disposition date) for each such “nonpurpose investment”. The purchase date, disposition date and the date of determination of “fair market value” shall be the date on which a contract to purchase or sell the “nonpurpose investment” becomes binding, i.e., the trade date rather than the settlement date. For purposes of the calculation of purchase price and disposition price, brokerage or selling commissions, administrative expenses or similar expenses shall not increase the purchase price of an item and shall not reduce the amount actually or constructively received upon disposition of an item, except to the extent such costs constitute “qualified administrative costs”.

(iv) Within thirty (30) days of the last day of the fifth and each succeeding fifth “bond year” (which, unless otherwise advised by the I-Bank, shall be the five-year period ending on the date five years subsequent to the date immediately preceding the date of issuance of the I-Bank Bonds and each succeeding fifth “bond year”) and within thirty (30) days of the date the last bond that is part of the I-Bank Bonds is discharged (or on any other periodic basis requested in writing by the I-Bank), the Borrower shall (A) calculate, or cause to be calculated, the “rebate amount” as of the “computation date” or “final computation date” attributable to any “nonpurpose investment” made by the Borrower and (B) remit the following to the I-Bank: (1) an amount of money that when added to the
“future value” as of the “computation date” of any previous payments made to the I-Bank on account of rebate equals the “rebate amount”, (2) the calculations supporting the “rebate amount” attributable to any “nonpurpose investment” made by the Borrower allocated to “gross proceeds” of the I-Bank Bonds, and (3) any other information requested by the I-Bank relating to compliance with Section 148 of the Code (e.g., information related to any “nonpurpose investment” of the Borrower for purposes of application of the “universal cap”).

(v) The Borrower covenants and agrees that it will account for “gross proceeds” of the I-Bank Bonds, investments allocable to the I-Bank Bonds and expenditures of “gross proceeds” of the I-Bank Bonds in accordance with Treasury Regulations §1.148-6. All allocations of “gross proceeds” of the I-Bank Bonds to expenditures will be recorded on the books of the Borrower kept in connection with the I-Bank Bonds no later than 18 months after the later of the date the particular Costs of the Project are paid or the date the portion of the project financed by the I-Bank Bonds is placed in service. All allocations of proceeds of the I-Bank Bonds to expenditures will be made no later than the date that is 60 days after the fifth anniversary of the date the I-Bank Bonds are issued or the date 60 days after the retirement of the I-Bank Bonds, if earlier. Such records and accounts will include the particular Costs paid, the date of the payment and the party to whom the payment was made.

(vi) From time to time as directed by the I-Bank, the Borrower shall provide to the I-Bank a written report demonstrating compliance by the Borrower with the provisions of Section 2.02(e) of this Loan Agreement, each such written report to be submitted by the Borrower to the I-Bank in the form of a full and complete written response to a questionnaire provided by the I-Bank to the Borrower. Each such questionnaire shall be provided by the I-Bank to the Borrower not less than fourteen (14) days prior to the date established by the I-Bank for receipt from the Borrower of the full and complete written response to the questionnaire.

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

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

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

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

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

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

(iii) copies of those ordinances and/or resolutions finally adopted by the governing body of the Borrower and requested by the I-Bank, including, without limitation, (A) the resolution of the Borrower authorizing the execution, attestation and delivery of this Loan Agreement, (B) the ordinances and resolutions of the Borrower authorizing the execution, attestation, sale and delivery of the Borrower Bond to the I-Bank, (C) the resolution of the Borrower, if any, confirming the details of the sale of the Borrower Bond to the I-Bank, (D) the resolution of the Borrower, if any, declaring its official intent to reimburse expenditures for the Costs of the Project from the proceeds of the I-Bank Bonds, each of said ordinances and resolutions of the Borrower being certified by an Authorized Officer of the Borrower as of the date of the Loan Closing, (E) the approval by the DLGS with respect to the issuance by the Borrower of the Borrower Bond to the I-Bank and setting forth any other approvals required therefor by the DLGS, and (F) any other Proceedings;

(iv) if the Loan is being made to reimburse the Borrower for all or a portion of the Costs of the Project or to refinance indebtedness or reimburse the Borrower for the repayment of indebtedness previously incurred by the Borrower to finance all or a portion of the Costs of the Project, an opinion of Bond Counsel, in form and substance satisfactory to the I-Bank, to the effect that such reimbursement or refinancing will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the I-Bank Bonds; and
(v) the certificates of insurance coverage as required pursuant to the terms of Section 3.06(d) hereof and such other certificates, documents, opinions and information as the I-Bank may require in Exhibit F hereto, if any.

(I) Execution and Delivery of Borrower Bond. Concurrently with the delivery of this Loan Agreement at the Loan Closing, the Borrower shall also deliver to the I-Bank the Borrower Bond, as previously executed and attested, upon the receipt of a written certification of the I-Bank that a portion of the net proceeds of the I-Bank Bonds shall be deposited in the Project Loan Account simultaneously with the delivery of the Borrower Bond.

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

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

(o) Additional Covenants and Requirements. (i) No later than the Loan Closing and, if necessary, in connection with the I-Bank’s issuance of the I-Bank Bonds or the making of the Loan, additional covenants and requirements have been included in Exhibit F hereto and made a part hereof. Such covenants and requirements may include, but need not be limited to, the maintenance of specified levels of Environmental Infrastructure System rates, the issuance of additional debt of the Borrower, the use by or on behalf of the Borrower of certain proceeds of the I-Bank Bonds as such use relates to the exclusion from gross income for federal income tax purposes of the interest on any I-Bank Bonds, the transfer of revenues and receipts from the Borrower’s Environmental Infrastructure System, compliance with Rule 15c2-12, 17 CFR 240.10b-5, promulgated by the SEC under the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 10b-5”), and any other applicable federal, state or self-regulatory organizational securities laws, regulations and rules, and matters in connection with the appointment of the Trustee under the Bond Indenture and any successors thereto. The Borrower hereby agrees to observe and comply with each such additional covenant and requirement, if any, included in Exhibit F hereto as if the same were set forth herein in its entirety. (ii) Additional defined terms, covenants, representations and requirements have been included in Schedule A attached hereto and made a part hereof. Such additional defined terms, covenants, representations and requirements are incorporated in this Loan Agreement by reference thereto as if set forth in full herein and the Borrower hereby agrees to observe and comply with each such additional term, covenant, representation and requirement included in Schedule A as if the same were set forth in its entirety where reference thereto is made in this Loan Agreement.

(p) Continuing Disclosure Covenant. To the extent that the I-Bank, in its sole discretion, determines, at any time prior to the termination of the Loan Term, that the Borrower is a material “obligated person”, as the term “obligated person” is defined in Rule 15c2-12, with materiality being determined by the I-Bank pursuant to criteria established, from time to time, by the I-Bank in its sole discretion and set forth in a bond resolution or official statement of the I-
Bank, the Borrower hereby covenants that it will authorize and provide to the I-Bank, for inclusion in any preliminary official statement or official statement of the I-Bank, all statements and information relating to the Borrower and deemed material by the I-Bank for the purpose of satisfying Rule 15c2-12 as well as Rule 10b-5, including certificates and written representations of the Borrower evidencing its compliance with Rule 15c2-12 and Rule 10b-5; and the Borrower hereby further covenants that the Borrower shall execute and deliver the Continuing Disclosure Agreement, in substantially the form attached hereto as Exhibit H, with such revisions thereto prior to execution and delivery thereof as the I-Bank shall determine to be necessary, desirable or convenient, in its sole discretion, for the purpose of satisfying Rule 15c2-12 and the purposes and intent thereof, as Rule 15c2-12, its purposes and intent may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction; and pursuant to the terms and provisions of the Continuing Disclosure Agreement, the Borrower shall thereafter provide on-going disclosure with respect to all statements and information relating to the Borrower in satisfaction of the requirements set forth in Rule 15c2-12 and Rule 10b-5, including, without limitation, the provision of certificates and written representations of the Borrower evidencing its compliance with Rule 15c2-12 and Rule 10b-5.
ARTICLE III

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. Loan; Loan Term.

(a) The I-Bank hereby agrees (i) to make the Loan, as described in Exhibit A-2 attached hereto and made a part hereof, to the Borrower, and (ii) to disburse the proceeds of the Loan to the Borrower in accordance with Section 3.02 hereof. The Borrower hereby agrees to borrow and accept the Loan from the I-Bank upon the terms set forth in Exhibit A-2 attached hereto and made a part hereof. The Borrower agrees that the amount actually deposited in the Project Loan Account at the Loan Closing, plus the Borrower’s allocable share of (i) certain costs of issuance and underwriter’s discount for all I-Bank Bonds issued to finance the Loan; and (ii) capitalized interest during the Project construction period, if applicable, shall constitute the initial principal amount of the Loan (as the same may be adjusted downward in accordance with the definition thereof), and neither the I-Bank nor the Trustee shall have any obligation thereafter to loan any additional amounts to the Borrower.

(b) Notwithstanding the provisions of subsection (a) of this Section 3.01 to the contrary, the I-Bank shall be under no obligation (i) to make the Loan to the Borrower if (1) at the Loan Closing, the Borrower does not deliver to the I-Bank the Borrower Bond and such other documents as are required pursuant to Section 2.02(k) hereof, or (2) an Event of Default has occurred and is continuing pursuant to, and as defined in, the Bond Indenture or pursuant to this Loan Agreement, or (ii) to disburse the proceeds of the Loan to the Borrower in accordance with Section 3.02 hereof, unless each of the conditions precedent to such disbursement, as set forth in Section 3.02 hereof, have been satisfied in full.

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

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

SECTION 3.02. Disbursement of Loan Proceeds.

(a) The Trustee, as the agent of the I-Bank, shall disburse the amounts on deposit in the Project Loan Account to the Borrower (i) upon receipt of a requisition executed by an Authorized Officer of the Borrower, and approved by the I-Bank, in a form satisfying the requirements of Section 5.02(3) of the Bond Indenture, and (ii) subject to the schedule limitations set forth in subsection (c) of this Section 3.02.
(b) The I-Bank and the Trustee shall not be required to disburse any Loan proceeds to the Borrower pursuant to this Loan Agreement, unless:

(i) the proceeds of the I-Bank Bonds shall be available for disbursement, as determined by the I-Bank in its sole and absolute discretion;

(ii) in accordance with the Bond Act and the Regulations, the Borrower shall have timely applied for, shall have been awarded and, prior to or simultaneously with the Loan Closing, shall have closed a Fund Loan for a portion of the Allowable Costs (as defined in such Regulations) of the Project;

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

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

(c) Notwithstanding any provision of this Loan Agreement to the contrary, the I-Bank and the Trustee shall not disburse Loan proceeds to the Borrower from the Project Loan Account pursuant to the provisions of this Section 3.02 at any time on or after Project Loan Account Disbursement Deadline, and, as of such date, any Loan proceeds that remain on deposit in the Project Loan Account shall no longer be available to the Borrower via the disbursement procedures of this Section 3.02, but shall be disbursed only as provided in Section 3.03A hereof.

SECTION 3.03. Amounts Payable.

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

(i) the principal of the Loan shall be repaid annually on the Principal Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof, as the same may be amended or modified by any credits applicable to the Borrower as set forth in the Bond Indenture;

(ii) the Interest Portion described in clause (i) of the definition thereof shall be paid semiannually on the Interest Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof, as the same may be amended or modified by any credits applicable to the Borrower as set forth in the Bond Indenture; and

(iii) the Interest Portion described in clause (ii) of the definition thereof shall be paid upon the date of optional redemption or acceleration, as the case may be, of the I-Bank Bonds allocable to any prepaid or accelerated I-Bank Bond Loan Repayment.
The obligations of the Borrower under the Borrower Bond shall be deemed to be amounts payable under this Section 3.03. Each Loan Repayment, whether satisfied through a direct payment by the Borrower to the Trustee or (with respect to the Interest Portion) through the use of I-Bank Bond proceeds and income thereon on deposit in the Interest Account (as defined in the Bond Indenture) to pay interest on the I-Bank Bonds, shall be deemed to be a credit against the corresponding obligation of the Borrower under this Section 3.03 and shall fulfill the Borrower’s obligation to pay such amount hereunder and under the Borrower Bond. Each payment made to the Trustee pursuant to this Section 3.03 shall be applied first to the Interest Portion then due and payable, second to the principal of the Loan then due and payable, third to the payment of the Administrative Fee, and finally to the payment of any late charges hereunder. 

(b) The Interest on the Loan described in clause (iii) of the definition thereof shall (i) consist of a late charge for any I-Bank Bond Loan Repayment that is received by the Trustee later than its due date and (ii) be payable immediately thereafter in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one-half of one percent (0.50%) per annum on such late payment from its due date to the date it is actually paid; provided, however, that the rate of Interest on the Loan, including, without limitation, any late payment charges incurred hereunder, shall not exceed the maximum interest rate permitted by law. 

(c) The Borrower shall receive, as a credit against its semiannual payment obligations of the Interest Portion, the amounts, if any, certified by the I-Bank pursuant to Section 5.10 of the Bond Indenture. Such amounts shall represent the Borrower’s allocable share of the interest earnings on certain funds and accounts established under the Bond Indenture, as calculated and determined in accordance with Section 5.10 of the Bond Indenture. 

(d) In accordance with the provisions of the Bond Indenture, the Borrower shall receive, as a credit against its I-Bank Bond Loan Repayments, the amounts, if any, set forth in the certificate of the I-Bank filed with the Trustee pursuant to Section 5.02(4) of the Bond Indenture. 

(e) The Interest on the Loan described in clause (ii) of the definition thereof shall be paid by the Borrower in the amount of one-half of the Administrative Fee, if any, to the Trustee semiannually on each February 1 and August 1, commencing August 1, 2020. 

(f) The “DEP Loan Surcharge or Loan Origination Fee” as defined in Section 8 of Exhibit B attached hereto and made a part hereof, as additionally identified in Exhibit A-2 attached hereto and made a part hereof, (the “DEP Fee”) shall be paid by the Borrower to the Trustee on the date indicated therein in satisfaction of the payment obligation of the Borrower to the Department, and the obligation of the Borrower with respect to the payment of such DEP Fee shall be an obligation of the Borrower under the Borrower Bond and an amount payable pursuant to this Section 3.03. For purposes of crediting and applying the payment by the Borrower of the DEP Fee upon receipt thereof as provided hereby, the Trustee shall credit and apply such payment of the DEP Fee pursuant to the terms and provisions of the Bond Indenture that relate to the payment, crediting and application of the State Administrative Fee (as defined in the Bond Indenture), notwithstanding that fact that (i) the DEP Fee and the State Administrative Fee are separate and distinct fee payment obligations to be satisfied by the Borrower, and (ii) as of the date hereof, there is no State Administrative Fee due and payable by the Borrower. The Trustee, as assignee hereof,
hereby agrees to the credit and application of the DEP Fee upon payment thereof as provided hereby.

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

(h) Each payment made by the Borrower pursuant to, and in satisfaction of, the requirements of this Section 3.03 shall be made by the Borrower to the Trustee via an electronic transfer of immediately available funds; provided, however, that upon thirty (30) days prior written notice to the Borrower, an Authorized Officer of the I-Bank may, in the sole discretion of such Authorized Officer, prescribe an alternative method by which payments pursuant to, and in satisfaction of, this Section 3.03 shall be made by the Borrower to the Trustee. Such method as prescribed by an Authorized Officer of the I-Bank may include, without limitation, the automatic debit by the I-Bank or the Trustee of the respective amounts of such payments, as required by this Section 3.03, from an account that shall be identified by the Borrower in writing and recorded on file with the I-Bank and the Trustee.

SECTION 3.03A. Unexpended Project Funds on Deposit in Project Loan Account.

(a) If, on the Project Loan Account Disbursement Deadline, any amounts remain on deposit in the Borrower’s Project Loan Account (“Unexpended Project Funds”), such Unexpended Project Funds on deposit in the Borrower’s Project Loan Account shall thereafter be applied, as follows:

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

(ii) If the Unexpended Project Funds are greater than the greater of (1) $250,000 or (2) the amount of Loan Repayments due from the Borrower to the I-Bank in the next succeeding calendar year, the Unexpended Project Funds shall be applied by the I-Bank as a prepayment of the Borrower’s Loan Repayments, and shall be applied to the principal payments (including the premium, if any, associated with any optional or mandatory redemption of I-Bank Bonds) on the Loan in inverse order of their maturity.
(b) The Borrower shall pay all costs and expenses of the I-Bank in connection with any prepayment pursuant to the provisions of subsection (a)(ii) of this Section 3.03A, including, without limitation, the fees of Bond Counsel to the I-Bank and any other professional advisors to the I-Bank.

SECTION 3.04. Unconditional Obligations. The direct, general obligation of the Borrower to make the Loan Repayments and all other payments required hereunder and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever while any I-Bank Bonds remain outstanding or any Loan Repayments remain unpaid, for any reason, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project or Environmental Infrastructure System, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the I-Bank or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Project, this Loan Agreement or the Bond Indenture, or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might otherwise have against the I-Bank, the Trustee or any other party or parties; provided, however, that payments hereunder shall not constitute a waiver of any such rights. The Borrower shall not be obligated to make any payments required to be made by any other Borrowers under separate Loan Agreements or the Bond Indenture.

The Borrower acknowledges that payment of the I-Bank Bonds by the I-Bank does not constitute payment of the amounts due under this Loan Agreement and the Borrower Bond.

The Borrower acknowledges that payment of the I-Bank Bonds from moneys that were originally received by the Trustee pursuant to Section 5.04(1) of the Bond Indenture from repayments by the Borrowers of loans made to the Borrowers by the State, acting by and through the Department, pursuant to loan agreements dated as of May 1, 2020 by and between the Borrowers and the State, acting by and through the Department, to finance or refinance a portion of the Costs of the Environmental Infrastructure Facilities of the Borrowers, does not constitute payment of the amounts due under this Loan Agreement and the Borrower Bond.

SECTION 3.05. Loan Agreement to Survive Bond Indenture and I-Bank Bonds. The Borrower acknowledges that its duties, covenants, obligations and agreements hereunder shall survive the discharge of the Bond Indenture applicable to the I-Bank Bonds and shall survive the payment of the principal and redemption premium, if any, of and the interest on the I-Bank Bonds until the Borrower can take no action or fail to take any action that could adversely affect the exclusion from gross income of the interest on the I-Bank Bonds for purposes of federal income taxation, at which time such duties, covenants, obligations and agreements hereunder shall, except for those set forth in Sections 3.06(a) and (b) hereof, terminate.

SECTION 3.06. Disclaimer of Warranties and Indemnification.
(a) The Borrower acknowledges and agrees that (i) neither the I-Bank nor the Trustee makes any warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Environmental Infrastructure System or the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the I-Bank or the Trustee or their respective agents be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Loan Agreement or the Project or the existence, furnishing, functioning or use of the Environmental Infrastructure System or the Project or any item or products or services provided for in this Loan Agreement; and (iii) to the fullest extent permitted by law, the Borrower shall indemnify and hold the I-Bank and the Trustee harmless against, and the Borrower shall pay any and all, liability, loss, cost, damage, claim, judgment or expense of any and all kinds or nature and however arising and imposed by law, which the I-Bank and the Trustee may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Borrower, the Borrower’s ownership of the Environmental Infrastructure System or the Project, or the acquisition, construction or installation of the Project.

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

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

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

SECTION 3.07. Option to Prepay Loan Repayments. The Borrower may prepay the I-Bank Bond Loan Repayments, in whole or in part (but if in part, in the amount of $100,000 or any integral multiple thereof), upon prior written notice to the I-Bank and the Trustee not less than ninety (90) days in addition to the number of days’ advance notice to the Trustee required for any optional redemption of the I-Bank Bonds, and upon payment by the Borrower to the Trustee of amounts that, together with investment earnings thereon, will be sufficient to pay the principal amount of the I-Bank Bond Loan Repayments to be prepaid plus the Interest Portion described in clause (ii) of the definition thereof on any such date of redemption; provided, however, that, with respect to any prepayment other than those required by Section 3.03A hereof, any such full or partial prepayment may only be made (i) if the Borrower is not then in arrears on its Fund Loan, (ii) if the Borrower is contemporaneously making a full or partial prepayment of the Fund Loan such that, after the prepayment of the Loan and the Fund Loan, the I-Bank, in its sole discretion, determines that the interests of the owners of the I-Bank Bonds are not adversely affected by such prepayments, (iii) upon the prior written approval of the I-Bank, and (iv) provided that the Borrower shall agree to pay all costs and expenses of the I-Bank in connection with such prepayment, including, without limitation, the fees of Bond Counsel to the I-Bank and any other professional advisors to the I-Bank. In addition, if at the time of such prepayment the I-Bank Bonds may only be redeemed at the option of the I-Bank upon payment of a premium, the Borrower shall add to its prepayment of I-Bank Bond Loan Repayments an amount, as determined by the I-Bank, equal to such premium allocable to the I-Bank Bonds to be redeemed as a result of the Borrower’s prepayment. Prepayments shall be applied first to the Interest Portion that accrues on the portion of the Loan to be prepaid until such prepayment date as described in clause (ii) of the definition thereof and then to principal payments (including premium, if any) on the Loan in inverse order of their maturity.

SECTION 3.08. Priority of Loan and Fund Loan.

(a) The Borrower hereby acknowledges and agrees that, to the extent permitted by law, any repayments then due and payable on the Loan pursuant to this Loan Agreement and paid by the Borrower and any repayments then due and payable on the Fund Loan pursuant to the Fund Loan Agreement and paid by the Borrower shall be applied by the Trustee, first, to the payment obligations of the Borrower with respect to the Loan and, second, to the payment obligations of the Borrower with respect to the Fund Loan, all in a manner more specifically identified in subsection (b) hereof. The Borrower agrees not to interfere with any such action by the Trustee with respect to the application of repayments as set forth herein.

(b) The Borrower hereby further acknowledges and agrees that, in the event the Borrower fails or is unable to pay promptly to the I-Bank in full any I-Bank Bond Loan Repayments pursuant to this Loan Agreement when due, then any (i) Administrative Fee paid hereunder, (ii) late charges paid hereunder, and (iii) loan repayments paid by the Borrower on its Fund Loan pursuant to its Fund Loan Agreement, any of which payments shall be received by the Trustee during the time of any such I-Bank Bond Loan Repayment deficiency, shall be applied by the Trustee, first, to satisfy such I-Bank Bond Loan Repayment deficiency as a credit against the
obligations of the Borrower to make payments of the Interest Portion under the Loan and the Borrower Bond, second, to the extent available, to make I-Bank Bond Loan Repayments of principal hereunder and payments of principal under the Borrower Bond, third, to the extent available, to pay the Administrative Fee, fourth, to the extent available, to pay any late charges hereunder, fifth, to the extent available, to satisfy the repayment of the Borrower’s Fund Loan pursuant to its Fund Loan Agreement, and finally, to the extent available, to satisfy the repayment of any administrative fee pursuant to its Fund Loan Agreement.

(c) The Borrower hereby further acknowledges and agrees that any loan repayments paid by the Borrower on its Fund Loan pursuant to its Fund Loan Agreement shall be applied according to the provisions of the Master Program Trust Agreement.

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

ASSIGNMENT OF LOAN AGREEMENT AND BORROWER BOND

SECTION 4.01. Assignment and Transfer by I-Bank.

(a) The Borrower hereby expressly acknowledges that, other than the provisions of Section 2.02(c)(ii) hereof, the I-Bank’s right, title and interest in, to and under this Loan Agreement and the Borrower Bond have been assigned to the Trustee as security for the I-Bank Bonds as provided in the Bond Indenture, and that if any Event of Default shall occur, the Trustee, pursuant to the Bond Indenture, shall be entitled to act hereunder in the place and stead of the I-Bank. The Borrower hereby acknowledges the requirements of the Bond Indenture applicable to the I-Bank Bonds and consents to such assignment and appointment. This Loan Agreement and the Borrower Bond, including, without limitation, the right to receive payments required to be made by the Borrower hereunder and to compel or otherwise enforce observance and performance by the Borrower of its other duties, covenants, obligations and agreements hereunder, may be further transferred, assigned and reassigned in whole or in part to one or more assignees or subassignees by the Trustee at any time subsequent to their execution without the necessity of obtaining the consent of, but after giving prior written notice to, the Borrower.

The I-Bank shall retain the right to compel or otherwise enforce observance and performance by the Borrower of its duties, covenants, obligations and agreements under Section 2.02(c)(ii) hereof; provided, however, that in no event shall the I-Bank have the right to accelerate the Borrower Bond in connection with the enforcement of Section 2.02(c)(ii) hereof.

(b) The Borrower hereby approves and consents to any assignment or transfer of this Loan Agreement and the Borrower Bond that the I-Bank deems to be necessary in connection with any refunding of the I-Bank Bonds or the issuance of additional bonds under the Bond Indenture or otherwise, all in connection with the pooled loan program of the I-Bank.

SECTION 4.02. Assignment by Borrower. Neither this Loan Agreement nor the Borrower Bond may be assigned by the Borrower for any reason, unless the following conditions shall be satisfied: (i) the I-Bank and the Trustee shall have approved said assignment in writing; (ii) the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Borrower’s duties, covenants, obligations and agreements under this Loan Agreement and, to the extent permitted under applicable law, the Borrower Bond; (iii) immediately after such assignment, the assignee shall not be in default in the observance or performance of any duties, covenants, obligations or agreements of the Borrower under this Loan Agreement or the Borrower Bond; and (iv) the I-Bank shall have received an opinion of Bond Counsel to the effect that such assignment will not adversely affect the security of the holders of the I-Bank Bonds or the exclusion of the interest on the I-Bank Bonds from gross income for purposes of federal income taxation under Section 103(a) of the Code.
ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

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

(a) failure by the Borrower to pay, or cause to be paid, any I-Bank Bond Loan Repayment required to be paid hereunder when due;

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

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

(d) a petition is filed by or against the Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, and/or any proceeding with respect to such petition and/or pursuant to any such law shall occur or be pending (including, without limitation, the operation and administration of the Borrower pursuant to any plan of reorganization approved and implemented under any such law), unless in the case of any such petition filed against the Borrower or any such proceeding, such petition and such proceeding shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal or the further jurisdiction of any court; or the Borrower shall become insolvent or bankrupt or shall make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee, but not including a takeover by the Division of Local Government Services in the New Jersey Department of Community Affairs) of the Borrower or any of its property shall be appointed by court order or take possession of the Borrower or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days;

(e) the Borrower shall generally fail to pay its debts as such debts become due;
(f) failure of the Borrower to observe or perform such additional duties, covenants, obligations, agreements or conditions as are required by the I-Bank and specified in Exhibit F attached hereto and made a part hereof; and

(g) the occurrence of an “Event of Default” pursuant to, and as defined in, any Construction Financing Program Loan that may be outstanding.

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

SECTION 5.03. Remedies on Default. Whenever an Event of Default referred to in Section 5.01 hereof shall have occurred and be continuing, the Borrower acknowledges the rights of the Trustee to direct any and all remedies in accordance with the terms of the Bond Indenture, and the Borrower also acknowledges that the I-Bank shall have the right to take, or to direct the Trustee to take, any action permitted or required pursuant to the Bond Indenture and to take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder.

In addition, if an Event of Default referred to in Section 5.01(a) hereof shall have occurred and be continuing, the I-Bank shall, to the extent allowed by applicable law and to the extent and in the manner set forth in the Bond Indenture, have the right to declare, or to direct the Trustee to declare, all Loan Repayments and all other amounts due hereunder (including, without limitation, payments under the Borrower Bond) together with the prepayment premium, if any, calculated pursuant to Section 3.07 hereof to be immediately due and payable, and upon notice to the Borrower the same shall become due and payable without further notice or demand.

SECTION 5.04. Attorneys’ Fees and Other Expenses. The Borrower shall on demand pay to the I-Bank or the Trustee the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred by either of them in the collection of I-Bank Bond Loan Repayments or any other sum due hereunder or in the enforcement of the observation or performance of any other duties, covenants, obligations or agreements of the Borrower upon an Event of Default.

SECTION 5.05. Application of Moneys. Any moneys collected by the I-Bank or the Trustee pursuant to Section 5.03 hereof shall be applied (a) first to pay any attorneys’ fees or other fees and expenses owed by the Borrower pursuant to Section 5.04 hereof, (b) second, to the extent available, to pay the Interest Portion then due and payable, (c) third, to the extent available, to pay the principal due and payable on the Loan, (d) fourth, to the extent available, to pay the Administrative Fee, any late charges incurred hereunder or any other amounts due and payable under this Loan Agreement, and (e) fifth, to the extent available, to pay the Interest Portion and the principal on the Loan and other amounts payable hereunder as such amounts become due and payable.
SECTION 5.06. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the I-Bank or the Trustee is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the I-Bank or the Trustee to exercise any remedy reserved to it in this Article V, it shall not be necessary to give any notice other than such notice as may be required in this Article V.

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

MISCELLANEOUS

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

(a) I-Bank:

    New Jersey Infrastructure Bank
    3131 Princeton Pike
    Building 4, Suite 216
    Lawrenceville, New Jersey 08648-2201
    Attention: Executive Director

(b) Trustee:

    Zions Bancorporation, National Association d/b/a Zions Bank
    401 Liberty Avenue, Suite 1729
    Pittsburgh, Pennsylvania 15222
    Attention: Corporate Trust Department

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

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

SECTION 6.03. Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

SECTION 6.04. Amendments, Supplements and Modifications. Except as otherwise provided in this Section 6.04, this Loan Agreement may not be amended, supplemented or modified without the prior written consent of the I-Bank and the Borrower and without the satisfaction of all conditions set forth in Section 11.12 of the Bond Indenture. Notwithstanding the conditions set forth in Section 11.12 of the Bond Indenture, (i) Section 2.02(p) hereof may be amended, supplemented or modified upon the written consent of the I-Bank and the Borrower and without the consent of the Trustee or any holders of the I-Bank Bonds, and (ii) Exhibit H hereto may be amended, supplemented or modified prior to the execution and delivery thereof as the I-Bank, in its sole discretion, shall determine to be necessary, desirable or convenient for the purpose of satisfying Rule 15c2-12 and the purpose and intent thereof as Rule 15c2-12, its purpose and intent may hereafter be interpreted from time to time by the SEC or any court of competent
jurisdiction, and such amendment, supplement or modification shall not require the consent of the Borrower, the Trustee or any holders of the I-Bank Bonds.

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

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

SECTION 6.07. Consents and Approvals. Whenever the written consent or approval of the I-Bank or an Authorized Officer of the I-Bank, as the case may be, shall be required pursuant to the provisions of this Loan Agreement, such consent or approval may only be given by the I-Bank or an Authorized Officer of the I-Bank, as the case may be, (i) unless otherwise provided by law or by the rules, regulations or resolutions of the I-Bank, or (ii) unless expressly delegated to the Trustee, and (iii) except as otherwise provided in Section 6.09 hereof. Further, whenever the written consent or approval of the I-Bank or an Authorized Officer of the I-Bank, as the case may be, shall be required pursuant to the provisions of this Loan Agreement, such approval or consent of the I-Bank pursuant to the provisions hereof may be either granted or withheld by the I-Bank in its sole and absolute discretion.

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

SECTION 6.09. Benefit of Loan Agreement; Compliance with Bond Indenture. This Loan Agreement is executed, among other reasons, to induce the purchase of the I-Bank Bonds. Accordingly, all duties, covenants, obligations and agreements of the Borrower herein contained are hereby declared to be for the benefit of, and are enforceable by, the I-Bank, the holders of the I-Bank Bonds and the Trustee. The Borrower covenants and agrees to observe and comply with, and to enable the I-Bank to observe and comply with, all applicable duties, covenants, obligations and agreements contained in the Bond Indenture.

SECTION 6.10. Further Assurances. The Borrower shall, at the request of the I-Bank, authorize, execute, attest, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Loan Agreement and the Borrower Bond.

SECTION 6.11. No Personal Liability. The Borrower hereby acknowledges and agrees that, pursuant to and consistent with the provisions of Section 13 of the Act (N.J.S.A. 58:11B-13), neither the directors of the I-Bank nor any officers of the I-Bank taking any action with respect to the issuance of the I-Bank Bonds or the making of the Loan pursuant to this Loan Agreement shall be liable personally with respect to the I-Bank Bonds or the Loan or any matters or transactions related thereto.
IN WITNESS WHEREOF, the I-Bank and the Borrower have caused this Loan Agreement to be executed, sealed and delivered as of the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

By: _____________________________

ATTEST:

________________________________________
David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

By: ___________________________________

ATTEST: Authorized Officer

________________________________________

Authorized Officer
Title

[signature page]
SCHEDULE A

Certain Additional Loan Agreement Provisions
EXHIBIT A-1

Description of Project and Environmental Infrastructure System
EXHIBIT A-2

Description of Loan
EXHIBIT B

Basis for Determination of Allowable Project Costs
EXHIBIT C

Reserved
EXHIBIT D

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

This Borrower Bond is issued pursuant to the “Local Bond Law”, P.L. 1960, c. 169, as amended (N.J.S.A. 40A:2-1 et seq.), [the “Municipal Qualified Bond Act”, P.L. 1976, c. 38, as amended (N.J.S.A. 40A:3-1 et seq.)] other applicable law and the Loan Agreement dated as of May 1, 2020 by and between the I-Bank and the Borrower (the “Loan Agreement”). This Borrower Bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence and secure the payment obligations of the Borrower set forth therein. [As a qualified bond issued under Title 40A of the New Jersey Statutes, this Borrower Bond is entitled to the benefits of the provisions of the Municipal Qualified Bond Act, codified at N.J.S.A. 40A:3-1 et seq.] This Borrower Bond has been assigned to Zions Bancorporation, National Association d/b/a Zions Bank, as trustee (the “Trustee”), under the Indenture of Trust, dated as of May 1, 2020, by and between the I-Bank and the Trustee, with respect to the I-Bank’s Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds), as the same may be amended and supplemented in accordance with the terms thereof (the “Bond Indenture”), and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the Trustee for the account of the I-Bank pursuant to such assignment. Such assignment has been made as security for the payment of the I-Bank Bonds (as defined in the Loan Agreement) issued to finance or refinance the Loan and as otherwise described in the Loan Agreement. This Borrower Bond is subject to further assignment or endorsement in accordance with the terms of the Bond Indenture and the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Borrower Bond.

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

This Borrower Bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional, without any defense or right of set-off, counterclaim or recoupment by reason of any default by the I-Bank under the Loan Agreement or under any other agreement between the Borrower and the I-Bank or out of any indebtedness or liability at any time owing to the Borrower by the I-Bank or for any other reason.

This Borrower Bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law, this Borrower Bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Borrower Bond to be duly executed, sealed and delivered as of May __, 2020.

[NAME OF BORROWER]

[SEAL]

By: ____________________________

Mayor

______________________________

Clerk

By: ____________________________

[Treasurer] [Chief Financial Officer]
New Jersey Infrastructure Bank hereby assigns the foregoing Borrower Bond to Zions Bancorporation, National Association d/b/a Zions Bank (the “Trustee”), as the I-Bank’s Trustee under the Indenture of Trust, dated as of May 1, 2020, by and between the I-Bank and the Trustee, with respect to the I-Bank’s Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds), as the same may be amended and supplemented in accordance with the terms thereof (the “Bond Indenture”), all as of the date of this Borrower Bond, as security for the I-Bank Bonds issued or to be issued under the Bond Indenture to finance or refinance the Project Fund (as defined in the Bond Indenture).

[SEAL]

ATTEST:

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

David E. Zimmer
Assistant Secretary

NEW JERSEY INFRASTRUCTURE BANK
EXHIBIT E

Opinions of Borrower’s Bond Counsel and General Counsel

See Closing Item ____
May __, 2020

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

Zions Bancorporation, National Association d/b/a Zions Bank
401 Liberty Avenue, Suite 1729
Pittsburgh, Pennsylvania 15222
Attention: Corporate Trust Department

Ladies and Gentlemen:

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

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

(a) the Indenture of Trust, dated as of May 1, 2020, by and between the I-Bank and Zions Bancorporation, National Association d/b/a Zions Bank, as Trustee, with respect to the I-Bank’s Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds);

(b) the Loan Agreement dated as of May 1, 2020 (the “Loan Agreement”) by and between the I-Bank and the Borrower;

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

(d) the Borrower Bond dated May __, 2020 (the “Borrower Bond”) issued by the Borrower to the I-Bank to evidence and secure the Loan; and

(e) the proceedings (together with the proceedings referred to in clause (c) above and Section 5 below, the “Proceedings”) of the governing body of the Borrower, including, without
limitation, [a] bond ordinance[s] of the Borrower finally adopted on […………] [and [……], respectively,] and [respectively] entitled “[TITLE OF ORDINANCE]” [and “[TITLE OF ORDINANCE]”], and [a] resolution[s] of the Borrower adopted pursuant to the provisions of N.J.S.A. [40A:2-26 (f) and] 40A:2-27 on [……] [and [……], respectively,] and [respectively] entitled “[TITLE OF RESOLUTION]” [and “[TITLE OF RESOLUTION]”] (collectively, the “Borrower Bond Proceedings”), all relating to the authorization of the Borrower Bond and the sale, execution, attestation and delivery thereof to the I-Bank (the Loan Agreement and the Borrower Bond are referred to herein collectively as the “Loan Documents”).

We have also examined and relied upon originals, or copies certified or otherwise authenticated to our satisfaction, of such other records, documents, certificates and other instruments, and have made such investigation of law as in our judgment we have deemed necessary or appropriate, to enable us to render the opinions expressed below.

We are of the opinion that:

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

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

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

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

5. The proceedings of the Borrower’s governing body (i) approving the Loan Documents, (ii) authorizing their execution, attestation and delivery on behalf of the Borrower, (iii) with respect to the Borrower Bond only, authorizing its sale by the Borrower to the I-Bank, (iv) authorizing the Borrower to consummate the transactions contemplated by the Loan Documents, (v) authorizing the Borrower to undertake and complete the Project, and (vi) authorizing the execution and delivery of all other certificates, agreements, documents and
instruments in connection with the execution, attestation and delivery of the Loan Documents, have each been duly and lawfully adopted and authorized in accordance with applicable law and applicable ordinances or resolutions of the Borrower, including, without limitation and where applicable, the Local Bond Law [and the Municipal Qualified Bond Act], the Borrower Bond Proceedings and the other Proceedings, which Proceedings constitute all of the actions necessary to be taken by the Borrower to authorize its actions contemplated by clauses (i) through (vi) above and which Proceedings were duly approved and published, where necessary, in accordance with applicable New Jersey law at a meeting or meetings duly called pursuant to necessary public notice and held in accordance with applicable New Jersey law and at which quorums were present and acting throughout.

6. The Loan Documents have been duly authorized, executed, attested and delivered by the Authorized Officers of the Borrower and the Borrower Bond has been duly sold by the Borrower to the I-Bank; and assuming in the case of the Loan Agreement that the I-Bank has the requisite power and authority to authorize, execute, attest and deliver, and has duly authorized, executed, attested and delivered, the Loan Agreement, the Loan Documents constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally. No opinion is rendered as to the availability of any particular remedy.

7. The authorization, execution, attestation and delivery of the Loan Documents by the Borrower and the sale of the Borrower Bond to the I-Bank, the observation and performance by the Borrower of its duties, covenants, obligations and agreements thereunder, the consummation of the transactions contemplated therein, and the undertaking and completion of the Project do not and will not (i) result in any breach of any of the terms, conditions or provisions of, or (ii) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations is subject.

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

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

10. The Borrower has no bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the general tax revenues of the Borrower.

11. To the best of our knowledge, upon due inquiry, (i) all representations made by the Borrower contained within subsections (e) and (g) of Section 2.02 and, if applicable, Exhibit F of the Loan Agreement are true, accurate and complete, and (ii) all expectations contained therein are reasonable, and we know of no reason why the Borrower would be unable to comply on a continuing basis with the covenants contained within subsections (e) and (g) of Section 2.02 and, if applicable, Exhibit F of the Loan Agreement.

12. Assuming that (i) the Borrower complies on a continuing basis with the covenants contained in subsections (e) and (g) of Section 2.02 and, if applicable, Exhibit F of the Loan Agreement, (ii) interest on the I-Bank Bonds is otherwise excluded from gross income of the holders thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and (iii) the proceeds of the I-Bank Bonds loaned to the Borrower represent all of the proceeds of the I-Bank Bonds, the application of the proceeds of the Loan for their intended purposes will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the I-Bank Bonds and no portion of the I-Bank Bonds will be used in a private use, within the meaning of Section 141 of the Code.

We hereby authorize McCarter & English, LLP, acting as bond counsel to the I-Bank, and the Attorney General of the State of New Jersey, acting as general counsel to the I-Bank, to rely on this opinion as if we had addressed this opinion to them in addition to you.

Very truly yours,
EXHIBIT F

Additional Covenants and Requirements
EXHIBIT G

General Administrative Requirements
for the New Jersey Water Bank
EXHIBIT H

Form of Continuing Disclosure Agreement
LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY INFRASTRUCTURE BANK

AND

[NAME OF BORROWER]

DATED AS OF MAY 1, 2020
IN WITNESS WHEREOF, the I-Bank and the Borrower have caused this Loan Agreement to be executed, sealed and delivered as of the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

By: ________________________________

ATTEST:

____________________________________
David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]

By: ________________________________

ATTEST:  

Authorized Officer
Title

____________________________________
Authorized Officer
Title
SCHEDULE A

Certain Additional Loan Agreement Provisions

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

Additional Definitions:

“Bond Indenture” means the Indenture of Trust, dated as of May 1, 2020, by and between the I-Bank and the Trustee (as defined in the Loan Agreement), with respect to the I-Bank’s Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds).

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

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

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

“Interest Payment Dates” means February 1 and August 1 of each year, commencing on ________ 1, 20__.

“Loan” means the loan made by the I-Bank to the Borrower to finance or refinance a portion of the Costs of the Project pursuant to this Loan Agreement. For all purposes of this Loan Agreement, the amount of the Loan at any time shall be the initial aggregate principal amount of the Borrower Bond (which amount equals the amount actually deposited in the Project Loan Account at the Loan Closing plus the Borrower’s allocable share of [(i)] certain costs of issuance, and underwriter’s discount for all I-Bank Bonds issued to finance the Loan[.] [and (ii) capitalized interest during the Project construction period]), less any amount of such principal amount that has been repaid by the Borrower under this Loan Agreement and less any adjustment made pursuant to the provisions of the Bond Indenture, including, without limitation, Section 5.02(4) thereof, N.J.A.C. 7:22-4.26 and the appropriations act of the State Legislature authorizing the expenditure of I-Bank Bond proceeds to finance a portion of the Costs of the Project.

“Principal Payment Dates” means August 1 of each year, commencing on August 1, 20__.
“Proceedings” means [a] bond ordinance[s] of the Borrower finally adopted on [DATE] [and [DATE], respectively,] and [respectively] entitled “[TITLE OF ORDINANCE]” [and “[TITLE OF ORDINANCE]”], and [a] resolution[s] of the Borrower adopted pursuant to the provisions of N.J.S.A. 40A:2-27 [and 40A:2-26(f)] on [DATE] [and [DATE], respectively,] and [respectively] entitled “[TITLE OF RESOLUTION]” [and “[TITLE OF RESOLUTION]”].

“Project Completion Date” means [March 1, 2021] [in the case of a “split project”: ________].

“Project Loan Account Disbursement Deadline” means [June 1, 2021] [in the case of a “split project”: ________].
EXHIBIT F

Additional Covenants and Requirements

[None.]

[Insert current refunding covenants, if any]:

**Construction Loan:**

(a) A portion of the proceeds of the Loan received by the Borrower in the amount of $_______ will be used to pay a portion of the outstanding principal amount of a short-term loan made by the I-Bank to the Borrower on [short-term loan closing date], in the original aggregate principal amount of $_______ (the “Construction Loan”), which Construction Loan currently is outstanding in the aggregate principal amount of $__________.

(b) Proceeds of the Construction Loan were used to finance Costs of the Project. No portion of the proceeds received from the Construction Loan or the Loan have been or will be used to pay Costs of the Project which were paid more than 60 days prior to ________________, the date on which the Borrower adopted [a resolution] [an ordinance] which expressed Borrower’s official intent to reimburse itself for Costs of the Project, if any, paid prior to the date the Construction Loan was made.

[For “split projects”]:

**Construction Financing Program Loan:**

[For Projects financed with “Sandy” principal forgiveness]:

**No FEMA Reimbursement:**

The Borrower represents, warrants and agrees that no amounts provided to the Borrower by the United States Federal Emergency Management Agency shall be applied to reimburse the Borrower for any Costs of the Project.

[For Municipal or County Facilities with a Private User Only, i.e., Qualified Private Activity Bonds]:

**Qualified Private Activity Bonds:**

(a) No portion of the proceeds of the I-Bank Bonds loaned to the Local Unit will be used to finance issuance costs (within the meaning of Section 147(g) of the Code).

(b) Assuming for this purpose that (i) the I-Bank has used two percent (2%) of the proceeds of the I-Bank Bonds to finance issuance costs (within the meaning of Section 147(g) of the Code), (ii) the proceeds of the I-Bank Bonds loaned to the Local Unit represent all of the remaining proceeds of the I-Bank Bonds, (iii) the I-Bank Bonds are issued as qualified bonds (within the meaning of Section 141(e) of the Code) that meet the requirements of Section [142(a)(4]
[142(a)(5)] of the Code, and (iv) interest on the I-Bank Bonds is otherwise excluded from the gross income of the holders thereof for federal income tax purposes under the Code, the Local Unit shall not, directly or indirectly, use or permit the use of any proceeds of the I-Bank Bonds in a manner that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the I-Bank Bonds.
LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY INFRASTRUCTURE BANK

AND

[NAME OF BORROWER]

DATED AS OF MAY 1, 2020
TABLE OF CONTENTS

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions....................................................................................................2

ARTICLE II

REPRESENTATIONS AND COVENANTS OF BORROWER

SECTION 2.01. Representations of Borrower .................................................................7
SECTION 2.02. Particular Covenants of Borrower .........................................................10

ARTICLE III

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. Loan; Loan Term ......................................................................................21
SECTION 3.02. Disbursement of Loan Proceeds ..............................................................21
SECTION 3.03. Amounts Payable ....................................................................................22
SECTION 3.03A. Amounts on Deposit in Project Loan Account After Completion of
Project Draws ............................................................................................................24
SECTION 3.04. Unconditional Obligations ......................................................................24
SECTION 3.05. Loan Agreement to Survive Bond Indenture and I-Bank Bonds ..........25
SECTION 3.06. Disclaimer of Warranties and Indemnification ....................................25
SECTION 3.07. Option to Prepay Loan Repayments ......................................................26
SECTION 3.08. Priority of Loan and Fund Loan ............................................................27
SECTION 3.09. Approval of the New Jersey State Treasurer ........................................27

ARTICLE IV

ASSIGNMENT OF LOAN AGREEMENT AND BORROWER BOND

SECTION 4.01. Assignment and Transfer by I-Bank ....................................................29
SECTION 4.02. Assignment by Borrower ......................................................................29

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

SECTION 5.01. Events of Default ...................................................................................30
SECTION 5.02. Notice of Default .................................................................................31
SECTION 5.03. Remedies on Default ..........................................................................31
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.04</td>
<td>Attorneys’ Fees and Other Expenses</td>
<td>31</td>
</tr>
<tr>
<td>5.05</td>
<td>Application of Moneys</td>
<td>31</td>
</tr>
<tr>
<td>5.06</td>
<td>No Remedy Exclusive; Waiver; Notice</td>
<td>32</td>
</tr>
<tr>
<td>5.07</td>
<td>Retention of I-Bank’s Rights</td>
<td>32</td>
</tr>
<tr>
<td>6.01</td>
<td>Notices</td>
<td>33</td>
</tr>
<tr>
<td>6.02</td>
<td>Binding Effect</td>
<td>33</td>
</tr>
<tr>
<td>6.03</td>
<td>Severability</td>
<td>33</td>
</tr>
<tr>
<td>6.04</td>
<td>Amendments, Supplements and Modifications</td>
<td>33</td>
</tr>
<tr>
<td>6.05</td>
<td>Execution in Counterparts</td>
<td>34</td>
</tr>
<tr>
<td>6.06</td>
<td>Applicable Law and Regulations</td>
<td>34</td>
</tr>
<tr>
<td>6.07</td>
<td>Consents and Approvals</td>
<td>34</td>
</tr>
<tr>
<td>6.08</td>
<td>Captions</td>
<td>34</td>
</tr>
<tr>
<td>6.09</td>
<td>Benefit of Loan Agreement; Compliance with Bond Indenture</td>
<td>34</td>
</tr>
<tr>
<td>6.10</td>
<td>Further Assurances</td>
<td>34</td>
</tr>
</tbody>
</table>

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

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

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

EXHIBIT C  Reserved........................................................................................................ C-1

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

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

EXHIBIT F  (1) Additional Covenants and Requirements.................................................. F-1
            (2) Service Agreement (if applicable).................................................................. F-2

EXHIBIT G  General Administrative Requirements for the New Jersey Water Bank............. G-1

EXHIBIT H  Form of Continuing Disclosure Agreement..................................................... H-1
NEW JERSEY INFRASTRUCTURE BANK LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into as of May 1, 2020, by and between the NEW JERSEY INFRASTRUCTURE BANK, a public body corporate and politic with corporate succession, and the Borrower (capitalized terms used in this Loan Agreement shall have, unless the context otherwise requires, the meanings ascribed thereto in Section 1.01 hereof);

WITNESSETH THAT:

WHEREAS, the I-Bank, in accordance with the Act, the Bond Indenture and a financial plan approved by the State Legislature in accordance with Sections 22 and 22.1 of the Act, will issue its I-Bank Bonds on or prior to the Loan Closing for the purpose of making the Loan to the Borrower and the Loans to the Borrowers from the proceeds of the I-Bank Bonds to finance a portion of the Costs of Environmental Infrastructure Facilities;

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

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

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

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

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

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

SECTION 1.01. Definitions.

(a) The following terms as used in this Loan Agreement shall, unless the context clearly requires otherwise, have the following meanings:

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

“Administrative Fee” means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder as an annual fee of up to four-tenths of one percent (0.40%) of the initial principal amount of the Loan or such lesser amount, if any, as may be authorized by any act of the State Legislature and as the I-Bank may approve from time to time.

“Authorized Officer” means (i) in the case of the I-Bank, the Chairman, Vice-Chairman or Executive Director of the I-Bank, or any other person or persons designated by the I-Bank by resolution to act on behalf of the I-Bank pursuant to this Loan Agreement, and (ii) in the case of the Borrower, any person or persons authorized pursuant to a resolution or ordinance of the governing body of the Borrower, in either case, to perform any act or execute any document relating to the Loan, the Borrower Bond or this Loan Agreement.

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

“Borrower Bond” means the revenue bond authorized, executed, attested and delivered by the Borrower to the I-Bank and authenticated on behalf of the Borrower to evidence and secure the Borrower’s obligations to pay the Loan Repayments and all other amounts due and owing by the Borrower under this Loan Agreement, a specimen of which is attached hereto as Exhibit D and made a part hereof.

“Borrowers” means any other Local Government Unit or Private Entity (as such terms are defined in the Regulations) authorized to construct, operate and maintain Environmental Infrastructure Facilities that have entered into Loan Agreements with the I-Bank pursuant to which the I-Bank will make Loans to such recipients from moneys on deposit in the Project Fund, excluding the Project Loan Account.

“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 Financing Program Loan” means any loan that may have been made on the date of the Loan Closing by the I-Bank to the Borrower pursuant to the Construction Financing
Program of the I-Bank for the purpose of financing a portion of the Costs of the Project, and, if made and outstanding, shall be identified and described in Exhibit F hereto.

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

“Department” means the New Jersey Department of Environmental Protection

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

“Environmental Infrastructure System” means the Environmental Infrastructure Facilities of the Borrower, including the Project, described in Exhibit A-1 attached hereto and made a part hereof, a portion of the Costs of which is being financed or refinanced by the I-Bank through the making of the Loan pursuant to the terms and provisions of this Loan Agreement.

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

“Fund Loan” means the loan made to the Borrower by the State, acting by and through the Department, pursuant to the Fund Loan Agreement dated as of May 1, 2020 by and between the Borrower and the State, acting by and through the Department, to finance or refinance a portion of the Costs of the Project.

“Fund Loan Agreement” means the loan agreement dated as of May 1, 2020 by and between the Borrower and the State, acting by and through the Department, regarding the terms and conditions of the Fund Loan.

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

“I-Bank Bond Loan Repayments” means the repayments of the principal amount of the Loan plus the payment of any premium associated with prepaying the principal amount of the Loan in accordance with Section 3.07 hereof plus the Interest Portion.

“I-Bank Bonds” means bonds authorized by Section 2.03 of the Bond Indenture, together with any refunding bonds authenticated and delivered pursuant to Section 2.04 of the Bond Indenture, in each case issued in order to finance (i) the portion of the Loan deposited in the Project Loan Account, (ii) the portion of the Loans deposited in the balance of the Project Fund, (iii) any capitalized interest related to such bonds, and (iv) a portion of the costs of issuance related to such bonds, or to refinance any or all of the above.

“I-Bank Bond Loan Repayments” means the repayments of the principal amount of the Loan plus the payment of any premium associated with prepaying the principal amount of the Loan in accordance with Section 3.07 hereof plus the Interest Portion.

“I-Bank Bonds” means bonds authorized by Section 2.03 of the Bond Indenture, together with any refunding bonds authenticated and delivered pursuant to Section 2.04 of the Bond Indenture, in each case issued in order to finance (i) the portion of the Loan deposited in the Project Loan Account, (ii) the portion of the Loans deposited in the balance of the Project Fund, (iii) any capitalized interest related to such bonds, and (iv) a portion of the costs of issuance related to such bonds, or to refinance any or all of the above.

“I-Bank Bond Loan Repayments” means the repayments of the principal amount of the Loan plus the payment of any premium associated with prepaying the principal amount of the Loan in accordance with Section 3.07 hereof plus the Interest Portion.

“I-Bank Bonds” means bonds authorized by Section 2.03 of the Bond Indenture, together with any refunding bonds authenticated and delivered pursuant to Section 2.04 of the Bond Indenture, in each case issued in order to finance (i) the portion of the Loan deposited in the Project Loan Account, (ii) the portion of the Loans deposited in the balance of the Project Fund, (iii) any capitalized interest related to such bonds, and (iv) a portion of the costs of issuance related to such bonds, or to refinance any or all of the above.

“Interest on the Loan” or “Interest on the Borrower Bond” means the sum of (i) the Interest Portion, (ii) the Administrative Fee, and (iii) any late charges incurred hereunder.
“Interest Portion” means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder that is necessary to pay the Borrower’s proportionate share of interest on the I-Bank Bonds (i) as set forth in Exhibit A-2 hereof under the column heading entitled “Interest”, or (ii) with respect to any prepayment of I-Bank Bond Loan Repayments in accordance with Section 3.07 or 5.03 hereof, to accrue on any principal amount of I-Bank Bond Loan Repayments to the date of the optional redemption or acceleration, as the case may be, of the I-Bank Bonds allocable to such prepaid or accelerated I-Bank Bond Loan Repayment.

“Loan” means the loan made by the I-Bank to the Borrower to finance or refinance a portion of the Costs of the Project pursuant to this Loan Agreement, as further described in Schedule A attached hereto.

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

“Loan Agreements” means any other loan agreements entered into by and between the I-Bank and one or more of the Borrowers pursuant to which the I-Bank will make Loans to such Borrowers from moneys on deposit in the Project Fund, excluding the Project Loan Account, financed with the proceeds of the I-Bank Bonds.

“Loan Closing” means the date upon which the I-Bank shall issue and deliver the I-Bank Bonds and the Borrower shall deliver its Borrower Bond, as previously authorized, executed, attested and, if applicable, authenticated, to the I-Bank.

“Loan Repayments” means the sum of (i) I-Bank Bond Loan Repayments, (ii) the Administrative Fee, and (iii) any late charges incurred hereunder.

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

“Loans” means the loans made by the I-Bank to the Borrowers under the Loan Agreements from moneys on deposit in the Project Fund, excluding the Project Loan Account.

“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.

“Master Program Trust Agreement” means that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the I-Bank, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to Wachovia Bank, National Association), in several capacities thereunder, as supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2001, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as
Successor Master Program Trustee, and the I-Bank, as the same may be amended and supplemented from time to time in accordance with its terms.


“Preliminary Official Statement” means the Preliminary Official Statement relating to the issuance of the I-Bank Bonds.

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

“Project” means the Environmental Infrastructure Facilities of the Borrower described in Exhibit A-1 attached hereto and made a part hereof, which constitutes a project for which the I-Bank is permitted to make a loan to the Borrower pursuant to the Act, the Regulations and the Bond Indenture, a portion of the Costs of which is being financed or refinanced by the I-Bank through the making of the Loan pursuant to the terms and provisions of this Loan Agreement, and which may be identified under either the Drinking Water or Clean Water Project Lists with the Project Number specified in Exhibit A-1 attached hereto.

“Project Fund” means the Project Fund as defined in the Bond Indenture.

“Project Loan Account” means the project loan account established on behalf of the Borrower in the Project Fund in accordance with the Bond Indenture to finance all or a portion of the Costs of the Project.

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

“State” means the State of New Jersey.

“Trustee” means, initially, Zions Bancorporation, National Association d/b/a Zions Bank, the Trustee appointed by the I-Bank and its successors as Trustee under the Bond Indenture, as provided in Article X of the Bond Indenture.

“Unexpended Project Funds” shall have the meaning ascribed thereto in Section 3.03A hereof.

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

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

REPRESENTATIONS AND COVENANTS OF BORROWER

SECTION 2.01. Representations of Borrower. The Borrower represents for the benefit of the I-Bank, the Trustee and the holders of the I-Bank Bonds as follows:

(a) **Organization and Authority.**

   (i) The Borrower is an Entity duly created and validly existing pursuant to the Constitution and statutes of the State of New Jersey, including, without limitation, the Borrower Enabling Act, and is subject to the Local Authorities Fiscal Control Law.

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

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

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

   (v) By official action of the Borrower taken prior to or concurrent with the execution and delivery hereof, including, without limitation, the Proceedings, the Borrower has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the execution, attestation, delivery and performance of this Loan Agreement and the transactions contemplated hereby; (B) the issuance of the Borrower...
Bond and the sale thereof to the I-Bank upon the terms set forth herein; (C) the approval of the inclusion, if such inclusion is deemed necessary in the sole discretion of the I-Bank, in the Preliminary Official Statement and the Official Statement of all statements and information relating to the Borrower set forth in “APPENDIX B” thereto (the “Borrower Appendices”) and any amendment thereof or supplement thereto; and (D) the execution, delivery and due performance of any and all other certificates, agreements and instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out, give effect to and consummate the transactions contemplated by this Loan Agreement, including, without limitation, the designation of the Borrower Appendices portion of the Preliminary Official Statement, if any, as “deemed final” for the purposes and within the meaning of 17 CFR 240.15c2-12 promulgated by the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 15c2-12”).

(vi) See Section 2.01(a)(vi) as set forth in Schedule A attached hereto, made a part hereof and incorporated in this Section 2.01(a) by reference as if set forth in full herein.

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

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

(d) Compliance with Existing Laws and Agreements. (i) The authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond by the Borrower, (ii) the authentication of the Borrower Bond by the trustee or paying agent under the Borrower Bond Resolution, as the case may be, and the sale of the Borrower Bond to the I-Bank, (iii) the adoption of the Borrower Bond Resolution, (iv) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder and under the Borrower Bond, (v) the consummation of the transactions provided for in this Loan Agreement, the Borrower Bond Resolution and the Borrower Bond, and (vi) the undertaking and completion of the Project will not (A) other than the lien, charge or encumbrance created hereby, by the Borrower Bond, by the
Borrower Bond Resolution and by any other outstanding debt obligations of the Borrower that are at parity with the Borrower Bond as to lien on, and source and security for payment thereon from, the 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 or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations is subject.

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

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

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

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

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

Official Statement. The descriptions and information set forth in the Borrower Appendices, if any, contained in the Official Statement relating to the Borrower, its operations and the transactions contemplated hereby, as of the date of the Official Statement, were and, as of the date of delivery hereof, are true and correct in all material respects, and did not and do not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

Preliminary Official Statement. As of the date of the Preliminary Official Statement, the descriptions and information set forth in the Borrower Appendices, if any, contained in the Preliminary Official Statement relating to the Borrower, its operations and the transactions contemplated hereby (i) were “deemed final” by the Borrower for the purposes and within the meaning of Rule 15c2-12 and (ii) were true and correct in all material respects, and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

SECTION 2.02. Particular Covenants of Borrower.

Revenue Pledge. (i) The Borrower unconditionally and irrevocably pledges the Revenues in accordance with the terms of and to the extent provided in the Borrower Bond
Resolution, including, without limitation, moneys payable pursuant to the Service Agreement, if
applicable, in respect of debt service on the Borrower Bond, for the punctual payment of the
principal and redemption premium, if any, of the Loan and the Borrower Bond, the Interest on the
Loan, the Interest on the Borrower Bond and all other amounts due under this Loan Agreement
and the Borrower Bond according to their respective terms. (ii) See Section 2.02(a)(ii) as set forth
in Schedule A attached hereto, made a part hereof and incorporated in this Section 2.02(a) by
reference as if set forth in full herein.
(b)
Performance Under Loan Agreement; Rates. The Borrower covenants and agrees
(i) to comply with all applicable state and federal laws, rules and regulations in the performance
of this Loan Agreement; (ii) to maintain its Environmental Infrastructure System in good repair
and operating condition; (iii) to cooperate with the I-Bank in the observance and performance of
the respective duties, covenants, obligations and agreements of the Borrower and the I-Bank under
this Loan Agreement; and (iv) to establish, levy and collect rents, rates and other charges for the
products and services provided by its Environmental Infrastructure System, which rents, rates and
other charges, together with any other moneys available for the purpose, shall be at least sufficient
(A) to meet the operation and maintenance expenses of its Environmental Infrastructure System,
(B) to comply with all covenants pertaining thereto contained in, and all other provisions of, any
bond resolution, trust indenture or other security agreement, if any, relating to any bonds, notes or
other evidences of indebtedness issued or to be issued by the Borrower, including without
limitation rents, rates and other charges, together with other available moneys, sufficient to pay
the principal of and Interest on the Borrower Bond, plus all other amounts due hereunder, to pay
the debt service requirements on any such bonds, notes or other evidences of indebtedness, whether
now outstanding or incurred in the future, secured by such Revenues and issued to finance
improvements to the Environmental Infrastructure System and to make any other payments
required by the laws of the State, (C) to generate funds sufficient to fulfill the terms of all other
contracts and agreements made by the Borrower, including, without limitation, this Loan
Agreement and the Borrower Bond, and (D) to pay all other amounts payable from or constituting
a lien or charge on the Revenues of its Environmental Infrastructure System.
(c)
Revenue Obligation; No Prior Pledges. The Borrower shall not be required to make
payments under this Loan Agreement except from the Revenues of its Environmental
Infrastructure System and from such other funds of such Environmental Infrastructure System
legally available therefor and from any other sources pledged to such payment pursuant to
subsection (a) of this Section 2.02. In no event shall the Borrower be required to make payments
under this Loan Agreement from any revenues or receipts not derived from its Environmental
Infrastructure System or pledged pursuant to subsection (a) of this Section 2.02. Except for the
Permitted Pledges, the Revenues derived by the Borrower from its Environmental Infrastructure
System, after the payment of all costs of operating and maintaining the Environmental
Infrastructure System, are and will be free and clear of any pledge, lien, charge or encumbrance
thereon or with respect thereto prior to, or of equal rank with, the obligation of the Borrower to
make Loan Repayments under this Loan Agreement and the Borrower Bond, and all corporate or
other action on the part of the Borrower to that end has been and will be duly and validly taken.
See Section 2.02(c) as set forth in Schedule A attached hereto, made a part hereof and incorporated
in this Section 2.02(c) by reference as if set forth in full herein.

-11-


(d) **Completion of Project and Provision of Moneys Therefor.** The Borrower covenants and agrees to exercise its best efforts in accordance with prudent environmental infrastructure utility practice to complete the Project and to accomplish such completion on or before the Project Completion Date. In undertaking and completing the Project, the Borrower covenants and agrees to comply with each of the terms and provisions contained herein, including, without limitation, the Exhibits hereto (including, without limitation, Exhibit G hereto). In order to complete the Project in satisfaction of the terms and provisions hereof, including, without limitation, the Exhibits hereto, the Borrower hereby covenants and agrees to provide from its own fiscal resources all moneys, in excess of the total amount of loan proceeds it receives pursuant to the Loan and the Fund Loan, as well as any outstanding Construction Financing Program Loan, that are required in order to complete the Project.

(e) **Disposition of Environmental Infrastructure System.** The Borrower shall not sell, lease, abandon or otherwise dispose of all or substantially all of its Environmental Infrastructure System except on ninety (90) days’ prior written notice to the I-Bank, and, in any event, shall not so sell, lease, abandon or otherwise dispose of the same unless the following conditions are met: (i) the Borrower shall, in accordance with Section 4.02 hereof, assign this Loan Agreement and the Borrower Bond and its rights and interests hereunder and thereunder to the purchaser or lessee of the Environmental Infrastructure System, and such purchaser or lessee shall assume all duties, covenants, obligations and agreements of the Borrower under this Loan Agreement and the Borrower Bond; and (ii) the I-Bank shall by appropriate action determine, in its sole discretion, that such sale, lease, abandonment or other disposition will not materially adversely affect (A) the I-Bank’s ability to meet its duties, covenants, obligations and agreements under the Bond Indenture, (B) the value of this Loan Agreement or the Borrower Bond as security for the payment of I-Bank Bonds and the interest thereon, or (C) the excludability from gross income for federal income tax purposes of the interest on I-Bank Bonds then outstanding or that could be issued in the future.

(f) **Exclusion of Interest from Federal Gross Income and Compliance with Code.**

(i) The Borrower covenants and agrees that it shall not take any action or omit to take any action that would result in the loss of the exclusion of the interest on any I-Bank Bonds now or hereafter issued from gross income for purposes of federal income taxation as that status is governed by Section 103(a) of the Code.

(ii) The Borrower shall not take any action or omit to take any action that would cause its Borrower Bond or the I-Bank Bonds (assuming solely for this purpose that the proceeds of the I-Bank Bonds loaned to the Borrower represent all of the proceeds of the I-Bank Bonds) to be “private activity bonds” within the meaning of Section 141(a) of the Code. Accordingly, unless the Borrower receives the prior written approval of the I-Bank, the Borrower shall not (A) permit any of the proceeds of the I-Bank Bonds loaned to the Borrower or the Project financed or refinanced with the proceeds of the I-Bank Bonds loaned to the Borrower to be used (directly or indirectly) in any manner that would constitute “private business use” within the meaning of Section 141(b)(6) of the Code, (B) use (directly or indirectly) any of the proceeds of the I-Bank Bonds loaned to the Borrower to make or finance loans to persons other than “governmental units” (as such term is used in Section 141(c) of the Code), or (C) use (directly or indirectly) any of the proceeds of the
I-Bank Bonds loaned to the Borrower to acquire any “nongovernmental output property” within the meaning of Section 141(d)(2) of the Code.

(iii) The Borrower shall not directly or indirectly use or permit the use of any proceeds of the I-Bank Bonds (or amounts replaced with such proceeds) or any other funds or take any action or omit to take any action that would cause the I-Bank Bonds (assuming solely for this purpose that the proceeds of the I-Bank Bonds loaned to the Borrower represent all of the proceeds of the I-Bank Bonds) to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

(iv) The Borrower shall not directly or indirectly use or permit the use of any proceeds of the I-Bank Bonds to pay the principal of or the interest or redemption premium on or any other amount in connection with the retirement or redemption of any issue of state or local governmental obligations (“refinancing of indebtedness”), unless the Borrower shall (A) establish to the satisfaction of the I-Bank, prior to the issuance of the I-Bank Bonds, that such refinancing of indebtedness will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the I-Bank Bonds, and (B) provide to the I-Bank an opinion of Bond Counsel to that effect in form and substance satisfactory to the I-Bank.

(v) The Borrower shall not directly or indirectly use or permit the use of any proceeds of the I-Bank Bonds to reimburse the Borrower for an expenditure with respect to Costs of the Project paid by the Borrower prior to the issuance of the I-Bank Bonds, unless (A) the allocation by the Borrower of the proceeds of the I-Bank Bonds to reimburse such expenditure complies with the requirements of Treasury Regulations §1.150-2 that are necessary in order to enable the reimbursement allocation to be treated as an expenditure of the proceeds of the I-Bank Bonds for purposes of applying Sections 103 and 141-150, inclusive, of the Code, or (B) such proceeds of the I-Bank Bonds will be used for refinancing of indebtedness that was used to pay Costs of the Project or to reimburse the Borrower for expenditures with respect to Costs of the Project paid by the Borrower prior to the issuance of such indebtedness in accordance with a reimbursement allocation for such expenditures that complies with the requirements of Treasury Regulations §1.150-2.

(vi) The Borrower shall not directly or indirectly use or permit the use of any proceeds of the I-Bank Bonds to pay any costs, or refinance any costs, which are not Costs of the Project that constitute (A) a “capital expenditure,” within the meaning of Treasury Regulations §1.150-1, or (B) interest on the I-Bank Bonds accruing during a period commencing on the date of issuance of the I-Bank Bonds and ending on the date that is the later of (I) three years from the date of issuance of the I-Bank Bonds or (II) one year after the completion date with respect to the Project.

(vii) The Borrower shall not use the proceeds of the I-Bank Bonds (assuming solely for this purpose that the proceeds of the I-Bank Bonds loaned to the Borrower represent all of the proceeds of the I-Bank Bonds) in any manner that would cause the I-Bank Bonds to be considered “federally guaranteed” within the meaning of Section 149(b) of the Code or “hedge bonds” within the meaning of Section 149(g) of the Code.
(viii) The Borrower shall not issue any debt obligations that (A) are sold at substantially the same time as the I-Bank Bonds and finance or refinance the Loan made to the Borrower, (B) are sold pursuant to the same plan of financing as the I-Bank Bonds and finance or refinance the Loan made to the Borrower, and (C) are reasonably expected to be paid out of substantially the same source of funds as the I-Bank Bonds and finance or refinance the Loan made to the Borrower.

(ix) Neither the Borrower nor any “related party” (within the meaning of Treasury Regulations §1.150-1) shall purchase I-Bank Bonds in an amount related to the amount of the Loan.

(x) The Borrower will not issue or permit to be issued obligations that will constitute an “advance refunding” of the Borrower Bond within the meaning of Section 149(d)(5) of the Code without the express written consent of the I-Bank, which consent may only be delivered by the I-Bank after the I-Bank has received notice from the Borrower of such contemplated action no later than sixty (60) days prior to any such contemplated action, and which consent is in the sole discretion of the I-Bank.

(xi) See Section 2.02(f)(xi) as set forth in Schedule A attached hereto, made a part hereof and incorporated in this Section 2.02(f)(xi) by reference as if set forth in full herein.

(xii) To the extent proceeds of the I-Bank Bonds are to be used to finance, rather than refinance, Costs of the Project, the Borrower covenants that the Borrower will satisfy the requirements of Treasury Regulations §1.148-2(e)(2) for a three (3) year temporary period with respect to such portion of the Loan. Accordingly, the Borrower represents that, based upon all of the objective facts and circumstances in existence on the date of issuance of the I-Bank Bonds, with respect to the portion of the Loan that is to be used to finance Costs of the Project, (A) within six months of the date of issuance of the I-Bank Bonds used to finance the Project, the Borrower will incur, or will have incurred, a substantial binding obligation to a third party to expend on the Project at least five percent (5%) of such “net sale proceeds” (within the meaning of Treasury Regulations §1.148-1) of the Loan used to finance the Project (treating an obligation as not being binding if it is subject to contingencies within the control of the Borrower, the I-Bank or a “related party” (within the meaning of Treasury Regulations §1.150-1)), (B) completion of such portion of the Project and the allocation to expenditures of the “net sale proceeds” of the Loan used to finance the Project will proceed with due diligence, and (C) all of the proceeds of the Loan used to finance Costs of the Project and investment earnings thereon will be spent prior to the period ending three (3) years subsequent to the date of issuance of the I-Bank Bonds used to finance the Project.

(xiii) Computed as of the issue date of the I-Bank Bonds that are issued to finance or refinance Costs of the Project, the weighted average maturity of the Loan does not exceed 120% of the average reasonably expected economic life of the Project financed or refinanced with the Loan, determined in the same manner as under Section 147(b) of the Code. Accordingly, the term of the Loan will not be longer than is reasonably necessary.
for the governmental purposes of the Loan within the meaning of Treasury Regulations §1.148-1(c)(4).

(xiv) The Borrower shall only enter into service contracts (including management contracts), with respect to any portion of the Project financed by the I-Bank Bonds, with a “governmental unit” (within the meaning of Section 141 of the Code) or only when any such contract: (i) meets a safe harbor as set forth in Rev. Proc. 2017-13; (ii) the contract or agreement is entered into before August 18, 2017 and is not materially amended or modified after that date, meets a safe harbor set forth in Rev.Proc. 97-13, 1997-1 C.B. 632, as modified by Rev. Proc. 2001-39; 2001-2 C.B. 38, and amplified by Notice 2014-67; or (iii) meets a safe harbor contained in any successor guidance from the Internal Revenue Service, provided, that the Borrower delivers an opinion of Bond Counsel, in form and substance satisfactory to the I-Bank, to the effect that the entering into of such contracts by the Borrower will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the I-Bank Bonds.

(xv) The Borrower shall, within thirty (30) days of date the Borrower concludes that no additional proceeds of the Loan will be required to pay Costs of the Project, provide to the I-Bank a certificate of the Borrower evidencing such conclusion.

For purposes of this subsection and subsection (h) of this Section 2.02, quoted terms shall have the meanings given thereto by Section 148 of the Code, including, particularly, Treasury Regulations §§1.148-1 through 1.148-11, inclusive, as supplemented or amended, to the extent applicable to the I-Bank Bonds, and any successor Treasury Regulations applicable to the I-Bank Bonds.

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

(i) The Borrower shall keep accurate records and accounts for its Environmental Infrastructure System (the “System Records”) separate and distinct from its other records and accounts (the “General Records”). Such System Records shall be audited annually by an independent registered municipal accountant or certified public accountant, which may be part of the annual audit of the General Records of the Borrower. Such System Records and General Records shall be made available for inspection by the I-Bank at any reasonable time upon prior written notice, and a copy of such annual audit(s) therefor, including all written comments and recommendations of such accountant, shall be furnished to the I-Bank within 150 days of the close of the fiscal year being so audited, or such additional period of time as shall be consented to by an Authorized Officer of the I-Bank in the sole and absolute discretion thereof, subject to the application of applicable law relating to such additional period of time for the Borrower to complete its audit.

(ii) Within thirty (30) days following receipt of any Loan proceeds, including without limitation the “Allowance for Administrative Costs” or the “Allowance for Planning and Design” set forth in Exhibit B hereto, the Borrower shall allocate such proceeds to an expenditures in a manner that satisfies the requirements of Treasury Regulation §1.148-6(d) and transmit a copy of each such allocation to the I-Bank. No portion of the Allowance for Administrative Costs will be allocated to a cost other than a cost described in N.J.A.C. 7:22-5.11(a) 3, 4, 5 or 6. No portion of the Allowance for Planning and Design will be allocated to a cost other than a cost described N.J.A.C. 7:22-5.12, or other costs of the Borrower’s Environmental Infrastructure System which are “capital expenditures,” within the meaning of Treasury Regulations §1.150-1. The Borrower shall retain records of such allocations for at least until the date that is three years after the scheduled maturity date of the I-Bank Bonds. The Borrower shall make such records available to the I-Bank within 15 days of any request by the I-Bank.

(iii) Unless otherwise advised in writing by the I-Bank, in furtherance of the covenant of the Borrower contained in subsection (f) of this Section 2.02 not to cause the I-Bank Bonds to be arbitrage bonds, the Borrower shall keep, or cause to be kept, accurate records of each investment it makes in any “nonpurpose investment” acquired with, or otherwise allocated to, “gross proceeds” of the I-Bank Bonds not held by the Trustee and each “expenditure” it makes allocated to “gross proceeds” of the I-Bank Bonds. Such records shall include the purchase price, including any constructive “payments” (or in the case of a “payment” constituting a deemed acquisition of a “nonpurpose investment” (e.g., a “nonpurpose investment” first allocated to “gross proceeds” of the I-Bank Bonds after it is actually acquired because it is deposited in a sinking fund for the I-Bank Bonds)), the “fair market value” of the “nonpurpose investment” on the date first allocated to the “gross proceeds” of the I-Bank Bonds, nominal interest rate, dated date, maturity date, type of property, frequency of periodic payments, period of compounding, yield to maturity, amount actually or constructively received on disposition (or in the case of a “receipt” constituting a deemed disposition of a “nonpurpose investment” (e.g., a “nonpurpose investment” that ceases to be allocated to the “gross proceeds” of the I-Bank Bonds because it is removed from a sinking fund for the I-Bank Bonds)), the “fair market value” of the “nonpurpose investment” on the date it ceases to be allocated to the “gross proceeds” of
the I-Bank Bonds, the purchase date and disposition date of the “nonpurpose investment” and evidence of the “fair market value” of such property on the purchase date and disposition date (or deemed purchase or disposition date) for each such “nonpurpose investment”. The purchase date, disposition date and the date of determination of “fair market value” shall be the date on which a contract to purchase or sell the “nonpurpose investment” becomes binding, i.e., the trade date rather than the settlement date. For purposes of the calculation of purchase price and disposition price, brokerage or selling commissions, administrative expenses or similar expenses shall not increase the purchase price of an item and shall not reduce the amount actually or constructively received upon disposition of an item, except to the extent such costs constitute “qualified administrative costs”.

(iv) Within thirty (30) days of the last day of the fifth and each succeeding fifth “bond year” (which, unless otherwise advised by the I-Bank, shall be the five-year period ending on the date five years subsequent to the date immediately preceding the date of issuance of the I-Bank Bonds and each succeeding fifth “bond year”) and within thirty (30) days of the date the last bond that is part of the I-Bank Bonds is discharged (or on any other periodic basis requested in writing by the I-Bank), the Borrower shall (A) calculate, or cause to be calculated, the “rebate amount” as of the “computation date” or “final computation date” attributable to any “nonpurpose investment” made by the Borrower and (B) remit the following to the I-Bank: (1) an amount of money that when added to the “future value” as of the “computation date” of any previous payments made to the I-Bank on account of rebate equals the “rebate amount”, (2) the calculations supporting the “rebate amount” attributable to any “nonpurpose investment” made by the Borrower allocated to “gross proceeds” of the I-Bank Bonds, and (3) any other information requested by the I-Bank relating to compliance with Section 148 of the Code (e.g., information related to any “nonpurpose investment” of the Borrower for purposes of application of the “universal cap”).

(v) The Borrower covenants and agrees that it will account for “gross proceeds” of the I-Bank Bonds, investments allocable to the I-Bank Bonds and expenditures of “gross proceeds” of the I-Bank Bonds in accordance with Treasury Regulations §1.148-6. All allocations of “gross proceeds” of the I-Bank Bonds to expenditures will be recorded on the books of the Borrower kept in connection with the I-Bank Bonds no later than 18 months after the later of the date the particular Costs of the Project are paid or the date the portion of the project financed by the I-Bank Bonds is placed in service. All allocations of proceeds of the I-Bank Bonds to expenditures will be made no later than the date that is 60 days after the fifth anniversary of the date the I-Bank Bonds are issued or the date 60 days after the retirement of the I-Bank Bonds, if earlier. Such records and accounts will include the particular Costs paid, the date of the payment and the party to whom the payment was made.

(vi) From time to time as directed by the I-Bank, the Borrower shall provide to the I-Bank a written report demonstrating compliance by the Borrower with the provisions of Section 2.02(f) of this Loan Agreement, each such written report to be submitted by the Borrower to the I-Bank in the form of a full and complete written response to a questionnaire provided by the I-Bank to the Borrower. Each such questionnaire shall be
provided by the I-Bank to the Borrower not less than fourteen (14) days prior to the date established by the I-Bank for receipt from the Borrower of the full and complete written response to the questionnaire.

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

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

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

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

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

(ii) counterparts of this Loan Agreement as previously executed and attested by the parties hereto;
... copies of those resolutions finally adopted by the governing body of the Borrower and requested by the I-Bank, including, without limitation, (A) the resolution of the Borrower authorizing the execution, attestation and delivery of this Loan Agreement, (B) the Borrower Bond Resolution, as amended and supplemented as of the date of the Loan Closing, authorizing the execution, attestation, authentication, sale and delivery of the Borrower Bond to the I-Bank, (C) the resolution of the Borrower, if any, confirming the details of the sale of the Borrower Bond to the I-Bank, (D) the resolution of the Borrower, if any, declaring its official intent to reimburse expenditures for the Costs of the Project from the proceeds of the I-Bank Bonds, each of said resolutions of the Borrower being certified by an Authorized Officer of the Borrower as of the date of the Loan Closing, (E) the approval by the DLGS with respect to the issuance by the Borrower of the Borrower Bond to the I-Bank and setting forth any other approvals required therefor by the DLGS, and (F) any other Proceedings;

(iv) if the Loan is being made to reimburse the Borrower for all or a portion of the Costs of the Project or to refinance indebtedness or reimburse the Borrower for the repayment of indebtedness previously incurred by the Borrower to finance all or a portion of the Costs of the Project, an opinion of Bond Counsel, in form and substance satisfactory to the I-Bank, to the effect that such reimbursement or refinancing will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the I-Bank Bonds;

(v) the certificates of insurance coverage as required pursuant to the terms of Section 3.06(d) hereof and such other certificates, documents, opinions and information as the I-Bank may require in Exhibit F hereto, if any; and

(vi) See Section 2.02(l)(vi) as set forth in Schedule A attached hereto, made a part hereof and incorporated herein by reference as if set forth in full herein.

(m) Execution and Delivery of Borrower Bond. Concurrently with the delivery of this Loan Agreement at the Loan Closing, the Borrower shall also deliver to the I-Bank the Borrower Bond, as previously executed, attested and, if applicable, authenticated, upon the receipt of a written certification of the I-Bank that a portion of the net proceeds of the I-Bank Bonds shall be deposited in the Project Loan Account simultaneously with the delivery of the Borrower Bond.

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

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

(p) Additional Covenants and Requirements. (i) No later than the Loan Closing and, if necessary, in connection with the I-Bank’s issuance of the I-Bank Bonds or the making of the...
Loan, additional covenants and requirements have been included in Exhibit F hereto and made a part hereof. Such covenants and requirements may include, but need not be limited to, the requirement that the Borrower enter into and execute or produce a validly existing Service Agreement, the maintenance of specified levels of Environmental Infrastructure System rates, the issuance of additional debt of the Borrower, the use by or on behalf of the Borrower of certain proceeds of the I-Bank Bonds as such use relates to the exclusion from gross income for federal income tax purposes of the interest on any I-Bank Bonds, the transfer of Revenues from the Borrower’s Environmental Infrastructure System, compliance with Rule 15c2-12, 17 CFR 240.10b-5, promulgated by the SEC under the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 10b-5”), and any other applicable federal, state or self-regulatory organizational securities laws, regulations and rules, and matters in connection with the appointment of the Trustee under the Bond Indenture and any successors thereto. The Borrower hereby agrees to observe and comply with each such additional covenant and requirement, if any, included in Exhibit F hereto as if the same were set forth herein in its entirety. (ii) Additional defined terms, covenants, representations and requirements have been included in Schedule A attached hereto and made a part hereof. Such additional defined terms, covenants, representations and requirements are incorporated in this Loan Agreement by reference thereto as if set forth in full herein and the Borrower hereby agrees to observe and comply with each such additional term, covenant, representation and requirement included in Schedule A as if the same were set forth in its entirety where reference thereto is made in this Loan Agreement.

(q) Continuing Disclosure Covenant. To the extent that the I-Bank, in its sole discretion, determines, at any time prior to the termination of the Loan Term, that the Borrower is a material “obligated person”, as the term “obligated person” is defined in Rule 15c2-12, with materiality being determined by the I-Bank pursuant to criteria established, from time to time, by the I-Bank in its sole discretion and set forth in a bond resolution or official statement of the I-Bank, the Borrower hereby covenants that it will authorize and provide to the I-Bank, for inclusion in any preliminary official statement or official statement of the I-Bank, all statements and information relating to the Borrower and, if applicable, any Underlying Government Unit and Indirect Underlying Government Unit, deemed material by the I-Bank for the purpose of satisfying Rule 15c2-12 as well as Rule 10b-5, including certificates and written representations of the Borrower evidencing its compliance with Rule 15c2-12 and Rule 10b-5; and the Borrower hereby further covenants that the Borrower shall execute and deliver the Continuing Disclosure Agreement, in substantially the form attached hereto as Exhibit H, with such revisions thereto prior to execution and delivery thereof as the I-Bank shall determine to be necessary, desirable or convenient, in its sole discretion, for the purpose of satisfying Rule 15c2-12 and the purposes and intent thereof, as Rule 15c2-12, its purposes and intent may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction; and pursuant to the terms and provisions of the Continuing Disclosure Agreement, the Borrower shall thereafter provide on-going disclosure with respect to all statements and information relating to the Borrower and, if applicable, any Underlying Government Unit and Indirect Underlying Government Unit, in satisfaction of the requirements set forth in Rule 15c2-12 and Rule 10b-5, including, without limitation, the provision of certificates and written representations of the Borrower evidencing its compliance with Rule 15c2-12 and Rule 10b-5.
ARTICLE III

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. Loan; Loan Term.

(a) The I-Bank hereby agrees (i) to make the Loan, as described in Exhibit A-2 attached hereto and made a part hereof, to the Borrower, and (ii) to disburse the proceeds of the Loan to the Borrower in accordance with Section 3.02 hereof. The Borrower hereby agrees to borrow and accept the Loan from the I-Bank upon the terms set forth in Exhibit A-2 attached hereto and made a part hereof. The Borrower agrees that the amount actually deposited in the Project Loan Account at the Loan Closing, plus the Borrower’s allocable share of (i) certain costs of issuance and underwriter’s discount for all I-Bank Bonds issued to finance the Loan; and (ii) capitalized interest during the Project construction period, if applicable, shall constitute the initial principal amount of the Loan (as the same may be adjusted downward in accordance with the definition thereof), and neither the I-Bank nor the Trustee shall have any obligation thereafter to loan any additional amounts to the Borrower.

(b) Notwithstanding the provisions of subsection (a) of this Section 3.01 to the contrary, the I-Bank shall be under no obligation (i) to make the Loan to the Borrower if (1) at the Loan Closing, the Borrower does not deliver to the I-Bank the Borrower Bond and such other documents as are required pursuant to Section 2.02(l) hereof, or (2) an Event of Default has occurred and is continuing pursuant to, and as defined in, the Bond Indenture or pursuant to this Loan Agreement, or (ii) to disburse the proceeds of the Loan to the Borrower in accordance with Section 3.02 hereof, unless each of the conditions precedent to such disbursement, as set forth in Section 3.02 hereof, have been satisfied in full.

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

(d) The payment obligations of the Borrower created pursuant to the terms of this Loan Agreement are secured by the Borrower Bond. The obligations of the Borrower to pay the principal of the Borrower Bond, Interest on the Borrower Bond, and other amounts due under the Borrower Bond are each special obligations of the Borrower payable solely from the Revenues in accordance with the terms of and to the extent provided in the Borrower Bond Resolution.

SECTION 3.02. Disbursement of Loan Proceeds.

(a) The Trustee, as the agent of the I-Bank, shall disburse the amounts on deposit in the Project Loan Account to the Borrower (i) upon receipt of a requisition executed by an Authorized Officer of the Borrower, and approved by the I-Bank, in a form satisfying the requirements of Section 5.02(3) of the Bond Indenture, and (ii) subject to the schedule limitations set forth in subsection (c) of this Section 3.02.

(b) The I-Bank and the Trustee shall not be required to disburse any Loan proceeds to the Borrower pursuant to this Loan Agreement, unless:
(i) the proceeds of the I-Bank Bonds shall be available for disbursement, as determined by the I-Bank in its sole and absolute discretion;

(ii) in accordance with the Bond Act, and the Regulations, the Borrower shall have timely applied for, shall have been awarded and, prior to or simultaneously with the Loan Closing, shall have closed, a Fund Loan for a portion of the Allowable Costs (as defined in such Regulations) of the Project;

(iii) the Borrower shall have on hand moneys to pay for (A) that portion of the total Costs of the Project that is not eligible to be funded from the Fund Loan or the Loan or any outstanding Construction Financing Program Loan, and/or (B) that portion of the total Costs of the Project that exceeds the actual amounts of the loan commitments made by the State and the I-Bank, respectively, for the Fund Loan and the Loan and any outstanding Construction Financing Program Loan; and

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

(c) Notwithstanding any provision of this Loan Agreement to the contrary, the I-Bank and the Trustee shall not disburse Loan proceeds to the Borrower from the Project Loan Account pursuant to the provisions of this Section 3.02 at any time on or after Project Loan Account Disbursement Deadline, and, as of such date, any Loan proceeds that remain on deposit in the Project Loan Account shall no longer be available to the Borrower via the disbursement procedures of this Section 3.02, but shall be disbursed only as provided in Section 3.03A hereof.

SECTION 3.03. Amounts Payable.

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

(i) the principal of the Loan shall be repaid annually on the Principal Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof, as the same may be amended or modified by any credits applicable to the Borrower as set forth in the Bond Indenture;

(ii) the Interest Portion described in clause (i) of the definition thereof shall be paid semiannually on the Interest Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof, as the same may be amended or modified by any credits applicable to the Borrower as set forth in the Bond Indenture; and

(iii) the Interest Portion described in clause (ii) of the definition thereof shall be paid upon the date of optional redemption or acceleration, as the case may be, of the I-Bank Bonds allocable to any prepaid or accelerated I-Bank Bond Loan Repayment.

The obligations of the Borrower under the Borrower Bond shall be deemed to be amounts payable under this Section 3.03. Each Loan Repayment, whether satisfied through a direct payment by the Borrower to the Trustee or (with respect to the Interest Portion) through the use of
I-Bank Bond proceeds and income thereon on deposit in the Interest Account (as defined in the Bond Indenture) to pay interest on the I-Bank Bonds, shall be deemed to be a credit against the corresponding obligation of the Borrower under this Section 3.03 and shall fulfill the Borrower’s obligation to pay such amount hereunder and under the Borrower Bond. Each payment made to the Trustee pursuant to this Section 3.03 shall be applied first to the Interest Portion then due and payable, second to the principal of the Loan then due and payable, third to the payment of the Administrative Fee, and finally to the payment of any late charges hereunder.

(b) The Interest on the Loan described in clause (iii) of the definition thereof shall consist of a late charge for any I-Bank Bond Loan Repayment that is received by the Trustee later than its due date and be payable immediately thereafter in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one-half of one percent (0.50%) per annum on such late payment from its due date to the date it is actually paid; provided, however, that the rate of Interest on the Loan, including, without limitation, any late payment charges incurred hereunder, shall not exceed the maximum interest rate permitted by law.

(c) The Borrower shall receive, as a credit against its semiannual payment obligations of the Interest Portion, the amounts, if any, certified by the I-Bank pursuant to Section 5.10 of the Bond Indenture. Such amounts shall represent the Borrower’s allocable share of the interest earnings on certain funds and accounts established under the Bond Indenture, as calculated and determined in accordance with Section 5.10 of the Bond Indenture.

(d) In accordance with the provisions of the Bond Indenture, the Borrower shall receive, as a credit against its I-Bank Bond Loan Repayments, the amounts, if any, set forth in the certificate of the I-Bank filed with the Trustee pursuant to Section 5.02(4) of the Bond Indenture.

(e) The Interest on the Loan described in clause (ii) of the definition thereof shall be paid by the Borrower in the amount of one-half of the Administrative Fee, if any, to the Trustee semiannually on each February 1 and August 1, commencing August 1, 2020.

(f) The “DEP Loan Surcharge or Loan Origination Fee” as defined in Section 8 of Exhibit B attached hereto and made a part hereof, as additionally identified in Exhibit A-2 attached hereto and made a part hereof, (the “DEP Fee”) shall be paid by the Borrower to the Trustee on the date indicated therein in satisfaction of the payment obligation of the Borrower to the Department, and the obligation of the Borrower with respect to the payment of such DEP Fee shall be an obligation of the Borrower under the Borrower Bond and an amount payable pursuant to this Section 3.03. For purposes of crediting and applying the payment by the Borrower of the DEP Fee upon receipt thereof as provided hereby, the Trustee shall credit and apply such payment of the DEP Fee pursuant to the terms and provisions of the Bond Indenture that relate to the payment, crediting and application of the State Administrative Fee (as defined in the Bond Indenture), notwithstanding that fact that (i) the DEP Fee and the State Administrative Fee are separate and distinct fee payment obligations to be satisfied by the Borrower, and (ii) as of the date hereof, there is no State Administrative Fee due and payable by the Borrower. The Trustee, as assignee hereof, hereby agrees to the credit and application of the DEP Fee upon payment thereof as provided hereby.
See Section 3.03(g) as set forth in Schedule A attached hereto, made a part hereof and incorporated herein by reference as if set forth in full herein.

Each payment made by the Borrower pursuant to, and in satisfaction of, the requirements of this Section 3.03 shall be made by the Borrower to the Trustee via an electronic transfer of immediately available funds; provided, however, that upon thirty (30) days prior written notice to the Borrower, an Authorized Officer of the I-Bank may, in the sole discretion of such Authorized Officer, prescribe an alternative method by which payments pursuant to, and in satisfaction of, this Section 3.03 shall be made by the Borrower to the Trustee. Such method as prescribed by an Authorized Officer of the I-Bank may include, without limitation, the automatic debit by the I-Bank or the Trustee of the respective amounts of such payments, as required by this Section 3.03, from an account that shall be identified by the Borrower in writing and recorded on file with the I-Bank and the Trustee.

SECTION 3.03A. Unexpended Project Funds on Deposit in Project Loan Account.

(a) If, on the Project Loan Account Disbursement Deadline, any amounts remain on deposit in the Borrower’s Project Loan Account (“Unexpended Project Funds”), such Unexpended Project Funds on deposit in the Borrower’s Project Loan Account shall thereafter be applied, as follows:

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

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

(b) The Borrower shall pay all costs and expenses of the I-Bank in connection with any prepayment pursuant to the provisions of subsection (a)(ii) of this Section 3.03A, including, without limitation, the fees of Bond Counsel to the I-Bank and any other professional advisors to the I-Bank.

SECTION 3.04. 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 or to any extent whatsoever while any I-Bank Bonds remain outstanding or any Loan Repayments remain unpaid, for any reason, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of
consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or
damage to the Project or Environmental Infrastructure System, commercial frustration of the
purpose, any change in the laws of the United States of America or of the State or any political
subdivision of either or in the rules or regulations of any governmental authority, any failure of
the I-Bank or the Trustee to perform and observe any agreement, whether express or implied, or
any duty, liability or obligation arising out of or connected with the Project, this Loan Agreement
or the Bond Indenture, or any rights of set-off, recoupment, abatement or counterclaim that the
Borrower might otherwise have against the I-Bank, the Trustee or any other party or parties;
provided, however, that payments hereunder shall not constitute a waiver of any such rights. The
Borrower shall not be obligated to make any payments required to be made by any other Borrowers
under separate Loan Agreements or the Bond Indenture.

The Borrower acknowledges that payment of the I-Bank Bonds by the I-Bank does not
constitute payment of the amounts due under this Loan Agreement and the Borrower Bond.

The Borrower acknowledges that payment of the I-Bank Bonds from moneys that were
originally received by the Trustee pursuant to Section 5.04(1) of the Bond Indenture from
repayments by the Borrowers of loans made to the Borrowers by the State, acting by and through
the Department, pursuant to loan agreements dated as of May 1, 2020 by and between the
Borrowers and the State, acting by and through the Department, to finance or refinance a portion
of the Costs of the Environmental Infrastructure Facilities of the Borrowers, does not constitute
payment of the amounts due under this Loan Agreement and the Borrower Bond.

SECTION 3.05. Loan Agreement to Survive Bond Indenture and I-Bank Bonds.
The Borrower acknowledges that its duties, covenants, obligations and agreements hereunder shall
survive the discharge of the Bond Indenture applicable to the I-Bank Bonds and shall survive the
payment of the principal and redemption premium, if any, of and the interest on the I-Bank Bonds
until the Borrower can take no action or fail to take any action that could adversely affect the
exclusion from gross income of the interest on the I-Bank Bonds for purposes of federal income
taxation, at which time such duties, covenants, obligations and agreements hereunder shall, except
for those set forth in Sections 3.06(a) and (b) hereof, terminate.

SECTION 3.06. Disclaimer of Warranties and Indemnification.

(a) The Borrower acknowledges and agrees that (i) neither the I-Bank nor the Trustee
makes any warranty or representation, either express or implied, as to the value, design, condition,
merchantability or fitness for particular purpose or fitness for any use of the Environmental
Infrastructure System or the Project or any portions thereof or any other warranty or representation
with respect thereto; (ii) in no event shall the I-Bank or the Trustee or their respective agents be
liable or responsible for any incidental, indirect, special or consequential damages in connection
with or arising out of this Loan Agreement or the Project or the existence, furnishing, functioning
or use of the Environmental Infrastructure System or the Project or any item or products or services
provided for in this Loan Agreement; and (iii) to the fullest extent permitted by law, the Borrower
shall indemnify and hold the I-Bank and the Trustee harmless against, and the Borrower shall pay
any and all, liability, loss, cost, damage, claim, judgment or expense of any and all kinds or nature
and however arising and imposed by law, which the I-Bank and the Trustee may sustain, be subject
to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or
damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Borrower, the Borrower’s ownership of the Environmental Infrastructure System or the Project, or the acquisition, construction or installation of the Project.

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

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

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

The Borrower shall provide the I-Bank with a copy of each of any such original, supplemental, amendatory or reissued certificates of insurance (or other similar documents evidencing the insurance coverage) required pursuant to this Section 3.06(d).

SECTION 3.07. Option to Prepay Loan Repayments. The Borrower may prepay the I-Bank Bond Loan Repayments, in whole or in part (but if in part, in the amount of $100,000 or any integral multiple thereof), upon prior written notice to the I-Bank and the Trustee not less than ninety (90) days in addition to the number of days’ advance notice to the Trustee required for any optional redemption of the I-Bank Bonds, and upon payment by the Borrower to the Trustee of amounts that, together with investment earnings thereon, will be sufficient to pay the principal amount of the I-Bank Bond Loan Repayments to be prepaid plus the Interest Portion described in clause (ii) of the definition thereof on any such date of redemption; provided, however, that, with respect to any prepayment other than those required by Section 3.03A hereof, any such full or partial prepayment may only be made (i) if the Borrower is not then in arrears on its Fund Loan,
(ii) if the Borrower is contemporaneously making a full or partial prepayment of the Fund Loan such that, after the prepayment of the Loan and the Fund Loan, the I-Bank, in its sole discretion, determines that the interests of the owners of the I-Bank Bonds are not adversely affected by such prepayments, (iii) upon the prior written approval of the I-Bank, and (iv) provided that the Borrower shall agree to pay all costs and expenses of the I-Bank in connection with such prepayment, including, without limitation, the fees of Bond Counsel to the I-Bank and any other professional advisors to the I-Bank. In addition, if at the time of such prepayment the I-Bank Bonds may only be redeemed at the option of the I-Bank upon payment of a premium, the Borrower shall add to its prepayment of I-Bank Bond Loan Repayments an amount, as determined by the I-Bank, equal to such premium allocable to the I-Bank Bonds to be redeemed as a result of the Borrower’s prepayment. Prepayments shall be applied first to the Interest Portion that accrues on the portion of the Loan to be prepaid until such prepayment date as described in clause (ii) of the definition thereof and then to principal payments (including premium, if any) on the Loan in inverse order of their maturity.

SECTION 3.08. Priority of Loan and Fund Loan.

(a) The Borrower hereby acknowledges and agrees that, to the extent permitted by law, any repayments then due and payable on the Loan pursuant to this Loan Agreement and paid by the Borrower and any repayments then due and payable on the Fund Loan pursuant to the Fund Loan Agreement and paid by the Borrower shall be applied by the Trustee, first, to the payment obligations of the Borrower with respect to the Loan and, second, to the payment obligations of the Borrower with respect to the Fund Loan, all in a manner more specifically identified in subsection (b) hereof. The Borrower agrees not to interfere with any such action by the Trustee with respect to the application of repayments as set forth herein.

(b) The Borrower hereby further acknowledges and agrees that in the event the Borrower fails or is unable to pay promptly to the I-Bank in full any I-Bank Bond Loan Repayments pursuant to this Loan Agreement when due, then any (i) Administrative Fee paid hereunder, (ii) late charges paid hereunder, and (iii) loan repayments paid by the Borrower on its Fund Loan pursuant to its Fund Loan Agreement, any of which payments shall be received by the Trustee during the time of any such I-Bank Bond Loan Repayment deficiency, shall be applied by the Trustee first to satisfy such I-Bank Bond Loan Repayment deficiency as a credit against the obligations of the Borrower to make payments of the Interest Portion under the Loan and the Borrower Bond, second, to the extent available, to make I-Bank Bond Loan Repayments of principal hereunder and payments of principal under the Borrower Bond, third, to the extent available, to pay the Administrative Fee, fourth, to the extent available, to pay any late charges hereunder, fifth, to the extent available, to satisfy the repayment of the Borrower’s Fund Loan pursuant to its Fund Loan Agreement, and finally, to the extent available, to satisfy the repayment of any administrative fee pursuant to its Fund Loan Agreement.

(c) The Borrower hereby further acknowledges and agrees that any loan repayments paid by the Borrower on its Fund Loan pursuant to its Fund Loan Agreement shall be applied according to the provisions of the Master Program Trust Agreement.

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

ASSIGNMENT OF LOAN AGREEMENT AND BORROWER BOND

SECTION 4.01. Assignment and Transfer by I-Bank.

(a) The Borrower hereby expressly acknowledges that, other than the provisions of Section 2.02(d)(ii) hereof, the I-Bank’s right, title and interest in, to and under this Loan Agreement and the Borrower Bond have been assigned to the Trustee as security for the I-Bank Bonds as provided in the Bond Indenture, and that if any Event of Default shall occur, the Trustee, pursuant to the Bond Indenture, shall be entitled to act hereunder in the place and stead of the I-Bank. The Borrower hereby acknowledges the requirements of the Bond Indenture applicable to the I-Bank Bonds and consents to such assignment and appointment. This Loan Agreement and the Borrower Bond, including, without limitation, the right to receive payments required to be made by the Borrower hereunder and to compel or otherwise enforce observance and performance by the Borrower of its other duties, covenants, obligations and agreements hereunder, may be further transferred, assigned and reassigned in whole or in part to one or more assignees or subassignees by the Trustee at any time subsequent to their execution without the necessity of obtaining the consent of, but after giving prior written notice to, the Borrower.

The I-Bank shall retain the right to compel or otherwise enforce observance and performance by the Borrower of its duties, covenants, obligations and agreements under Section 2.02(d)(ii) hereof; provided, however, that in no event shall the I-Bank have the right to accelerate the Borrower Bond in connection with the enforcement of Section 2.02(d)(ii) hereof.

(b) The Borrower hereby approves and consents to any assignment or transfer of this Loan Agreement and the Borrower Bond that the I-Bank deems to be necessary in connection with any refunding of the I-Bank Bonds or the issuance of additional bonds under the Bond Indenture or otherwise, all in connection with the pooled loan program of the I-Bank.

SECTION 4.02. Assignment by Borrower. Neither this Loan Agreement nor the Borrower Bond may be assigned by the Borrower for any reason, unless the following conditions shall be satisfied: (i) the I-Bank and the Trustee shall have approved said assignment in writing; (ii) the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Borrower’s duties, covenants, obligations and agreements under this Loan Agreement and, to the extent permitted under applicable law, the Borrower Bond; (iii) immediately after such assignment, the assignee shall not be in default in the observance or performance of any duties, covenants, obligations or agreements of the Borrower under this Loan Agreement or the Borrower Bond; and (iv) the I-Bank shall have received an opinion of Bond Counsel to the effect that such assignment will not adversely affect the security of the holders of the I-Bank Bonds or the exclusion of the interest on the I-Bank Bonds from gross income for purposes of federal income taxation under Section 103(a) of the Code.
ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

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

(a) failure by the Borrower to pay, or cause to be paid, any I-Bank Bond Loan Repayment required to be paid hereunder when due;

(b) failure by the Borrower to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any bonds, notes or other obligations of the Borrower (other than the Loan and the Borrower Bond), after giving effect to the applicable grace period, the payments of which are secured by the Revenues of the Environmental Infrastructure System;

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

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

(e) a petition is filed by or against the Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, and/or any proceeding with respect to such petition and/or pursuant to any such law shall occur or be pending (including, without limitation, the operation and administration of the Borrower pursuant to any plan of reorganization approved and implemented under any such law), unless in the case of any such petition filed against the Borrower or any such proceeding, such petition and such proceeding shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal or the further jurisdiction of any court; or the Borrower shall become insolvent or bankrupt or shall make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee, but not including a takeover by the Division of Local Government Services in the New Jersey Department of Community Affairs) of the Borrower or any of its property shall be appointed by court order or
take possession of the Borrower or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days;

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

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

(h) the occurrence of an “Event of Default” pursuant to, and as defined in, any Construction Financing Program Loan that may be outstanding.

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

SECTION 5.03. Remedies on Default. Whenever an Event of Default referred to in Section 5.01 hereof shall have occurred and be continuing, the Borrower acknowledges the rights of the Trustee to direct any and all remedies in accordance with the terms of the Bond Indenture, and the Borrower also acknowledges that the I-Bank shall have the right to take, or to direct the Trustee to take, any action permitted or required pursuant to the Bond Indenture and to take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder.

In addition, if an Event of Default referred to in Section 5.01(a) hereof shall have occurred and be continuing, the I-Bank shall, to the extent allowed by applicable law and to the extent and in the manner set forth in the Bond Indenture, have the right to declare, or to direct the Trustee to declare, all Loan Repayments and all other amounts due hereunder (including, without limitation, payments under the Borrower Bond) together with the prepayment premium, if any, calculated pursuant to Section 3.07 hereof to be immediately due and payable, and upon notice to the Borrower the same shall become due and payable without further notice or demand.

SECTION 5.04. Attorneys’ Fees and Other Expenses. The Borrower shall on demand pay to the I-Bank or the Trustee the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred by either of them in the collection of I-Bank Bond Loan Repayments or any other sum due hereunder or in the enforcement of the observation or performance of any other duties, covenants, obligations or agreements of the Borrower upon an Event of Default.

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

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

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

MISCELLANEOUS

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

(a) I-Bank:
   New Jersey Infrastructure Bank
   3131 Princeton Pike
   Building 4, Suite 216
   Lawrenceville, New Jersey 08648-2201
   Attention: Executive Director

(b) Trustee:
   Zions Bancorporation, National Association d/b/a Zions Bank
   401 Liberty Avenue, Suite 1729
   Pittsburgh, Pennsylvania 15222
   Attention: Corporate Trust Department

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

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

SECTION 6.03. Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

SECTION 6.04. Amendments, Supplements and Modifications.

(a) Except as otherwise provided in this Section 6.04, this Loan Agreement may not be amended, supplemented or modified without the prior written consent of the I-Bank and the Borrower and without the satisfaction of all conditions set forth in Section 11.12 of the Bond Indenture. Notwithstanding the conditions set forth in Section 11.12 of the Bond Indenture, (i) Section 2.02(q) hereof may be amended, supplemented or modified upon the written consent of the I-Bank and the Borrower and without the consent of the Trustee or any holders of the I-Bank Bonds, and (ii) Exhibit H hereto may be amended, supplemented or modified prior to the execution and delivery thereof as the I-Bank, in its sole discretion, shall determine to be necessary, desirable or convenient for the purpose of satisfying Rule 15c2-12 and the purpose and intent thereof as Rule 15c2-12, its purpose and intent may hereafter be interpreted from time to time by the SEC or

-33-
any court of competent jurisdiction, and such amendment, supplement or modification shall not require the consent of the Borrower, the Trustee or any holders of the I-Bank Bonds.

(b) Notwithstanding any provision of the Service Agreement to the contrary, the Service Agreement may not be amended, supplemented or modified by the Borrower and the Underlying Government Unit without the prior written consent of an Authorized Officer (as defined in the Bond Indenture) of the I-Bank.

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

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

SECTION 6.07. Consents and Approvals. Whenever the written consent or approval of the I-Bank or an Authorized Officer of the I-Bank, as the case may be, shall be required pursuant to the provisions of this Loan Agreement, such consent or approval may only be given by the I-Bank or an Authorized Officer of the I-Bank, as the case may be, (i) unless otherwise provided by law or by the rules, regulations or resolutions of the I-Bank, or (ii) unless expressly delegated to the Trustee, and (iii) except as otherwise provided in Section 6.09 hereof. Further, whenever the written consent or approval of the I-Bank or an Authorized Officer of the I-Bank, as the case may be, shall be required pursuant to the provisions of this Loan Agreement, such approval or consent of the I-Bank pursuant to the provisions hereof may be either granted or withheld by the I-Bank in its sole and absolute discretion.

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

SECTION 6.09. Benefit of Loan Agreement; Compliance with Bond Indenture. This Loan Agreement is executed, among other reasons, to induce the purchase of the I-Bank Bonds. Accordingly, all duties, covenants, obligations and agreements of the Borrower herein contained are hereby declared to be for the benefit of, and are enforceable by, the I-Bank, the holders of the I-Bank Bonds and the Trustee. The Borrower covenants and agrees to observe and comply with, and to enable the I-Bank to observe and comply with, all applicable duties, covenants, obligations and agreements contained in the Bond Indenture.

SECTION 6.10. Further Assurances. The Borrower shall, at the request of the I-Bank, authorize, execute, attest, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Loan Agreement and the Borrower Bond.
SECTION 6.11. No Personal Liability. The Borrower hereby acknowledges and agrees that, pursuant to and consistent with the provisions of Section 13 of the Act (N.J.S.A. 58:11B-13), neither the directors of the I-Bank nor any officers of the I-Bank taking any action with respect to the issuance of the I-Bank Bonds or the making of the Loan pursuant to this Loan Agreement shall be liable personally with respect to the I-Bank Bonds or the Loan or any matters or transactions related thereto.
IN WITNESS WHEREOF, the I-Bank and the Borrower have caused this Loan Agreement to be executed, sealed and delivered as of the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

By: ______________________________

ATTEST:

__________________________________________
David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]

By: ______________________________

ATTEST:

__________________________________________
Authorized Officer
Title

__________________________________________
Authorized Officer
Title
SCHEDULE A

Certain Additional Loan Agreement Provisions
EXHIBIT A-1

Description of Project and Environmental Infrastructure System
EXHIBIT A-2

Description of Loan
EXHIBIT B

Basis for Determination of Allowable Project Costs
EXHIBIT D

Specimen Borrower Bond
(Except for assignment page, to be supplied by Borrower’s bond counsel in substantially the following form)

IMPORTANT NOTE: The next three pages set forth the form of the Borrower Bond prepared by the I-Bank’s Bond Counsel for municipal/county Borrowers. Although the I-Bank recognizes that each authority Borrower has its own bond form as required pursuant to its Borrower Bond Resolution, please incorporate in the authority bond form the pertinent information from this municipal/county bond form (e.g., amounts payable under the Borrower Bond set forth in the first paragraph, assignment in the second paragraph, disbursement language in the third paragraph, unconditional obligation in the fourth paragraph, optional prepayment provisions in the fifth paragraph and the date of the Borrower Bond).
FOR VALUE RECEIVED, [the] [NAME OF BORROWER], a [municipal/county utilities authority] [sewerage authority] [political subdivision] duly created and validly existing under the Constitution and laws of the State (the “Borrower”), hereby promises to pay to the order of the New Jersey Infrastructure Bank (the “I-Bank”) (i) the principal amount of ______________________ Dollars ($__________), or such lesser amount as shall be determined in accordance with Section 3.01 of the Loan Agreement (as hereinafter defined), at the times and in the amounts determined as provided in the Loan Agreement, together with (ii) Interest on the Loan constituting the Interest Portion, the Administrative Fee and any late charges incurred under the Loan Agreement (as such terms are defined in the Loan Agreement) in the amount calculated as provided in the Loan Agreement, payable on the days and in the amounts and as provided in the Loan Agreement, which principal amount and Interest Portion of the Interest on the Loan shall, unless otherwise provided in the Loan Agreement, be payable on the days and in the amounts as also set forth in Exhibit A attached hereto under the column headings respectively entitled “Principal” and “Interest”, plus (iii) any other amounts due and owing under the Loan Agreement at the times and in the amounts as provided therein. The Borrower irrevocably pledges its Revenues (as defined in the Loan Agreement) for the punctual payment of the principal of and the Interest on this Borrower Bond (as defined in the Loan Agreement) and for the punctual payment of all other amounts due under this Borrower Bond and the Loan Agreement according to their respective terms.

This Borrower Bond is issued pursuant to the [“Municipal and County Utilities Authorities Law”, P.L. 1957, c. 183, (N.J.S.A. 40:14B-1 et seq.),] [the “Sewerage Authorities Law”, P.L. 1946 c. 138 (N.J.S.A. 40:14A-1 et seq.),] [“the Local Authorities Fiscal Control Law”, P.L. 1983 c. 313 (N.J.S.A. 40A:5A-1 et seq.),] [the “Borrower Enabling Act” means the “[TITLE OF ACT]”, P.L. ____ c. ____ (N.J.S.A. ______ et seq.),] other applicable law and the Loan Agreement dated as of May 1, 2020 by and between the I-Bank and the Borrower (the “Loan Agreement”). This Borrower Bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence and secure the payment obligations of the Borrower set forth in the Loan Agreement. This Borrower Bond has been assigned to Zions Bancorporation, National Association d/b/a Zions Bank, as trustee (the “I-Bank’s Trustee”), under the Indenture of Trust, dated as of May 1, 2020, by and between the I-Bank and the Trustee, with respect to the I-Bank’s Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds), as the same may be amended and supplmented in accordance with the terms thereof (the “Bond Indenture”), and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the I-Bank’s Trustee for the account of the I-Bank pursuant to such assignment. Such assignment has been made as security for the payment of the I-Bank Bonds (as defined in the Loan Agreement) issued to finance or refinance the Loan and as otherwise described in the Loan Agreement. This Borrower Bond is subject to further assignment or endorsement in accordance with the terms of the Bond Indenture and the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Borrower Bond.

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

This Borrower Bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional, without any defense or right of set-off, counterclaim or recoupment by reason of any default by the I-Bank under the Loan Agreement or under any other agreement between the Borrower and the I-Bank or out of any indebtedness or liability at any time owing to the Borrower by the I-Bank or for any other reason.

This Borrower Bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law, this Borrower Bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Borrower Bond to be duly executed, sealed and delivered as of May __, 2020.

[NAME OF BORROWER]

[SEAL]

By:________________________

ATTEST:

By:________________________
New Jersey Infrastructure Bank hereby assigns the foregoing Borrower Bond to Zions Bancorporation, National Association d/b/a Zions Bank (the “Trustee”), as the I-Bank’s Trustee under the Indenture of Trust, dated as of May 1, 2020, by and between the I-Bank and the Trustee, with respect to the I-Bank’s Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds), as the same may be amended and supplemented in accordance with the terms thereof (the “Bond Indenture”), all as of the date of this Borrower Bond, as security for the I-Bank Bonds issued or to be issued under the Bond Indenture to finance or refinance the Project Fund (as defined in the Bond Indenture).

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

ATTEST:

By: ________________________________
   Name
   Title

______________________________
David E. Zimmer
Assistant Secretary
EXHIBIT E

Opinions of Borrower’s Bond Counsel and General Counsel

See Closing Item ___
May __, 2020

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

Zions Bancorporation, National Association d/b/a Zions Bank
401 Liberty Avenue, Suite 1729
Pittsburgh, Pennsylvania 15222
Attention: Corporate Trust Department

Ladies and Gentlemen:

We have acted as counsel to [Name of Borrower], a [municipal/county utilities authority] [sewerage authority] [political subdivision] of the State of New Jersey (the “Borrower”), which has entered into a Loan Agreement (as hereinafter defined) with the New Jersey Infrastructure Bank (the “I-Bank”), and have acted as such in connection with the authorization, execution, attestation and delivery by the Borrower of its Loan Agreement and Borrower Bond (as hereinafter defined) pursuant to the [“Municipal and County Utilities Authorities Law”, P.L. 1957, c. 183, (N.J.S.A. 40:14B-1 et seq.),] [the “Sewerage Authorities Law”, P.L. 1946 c. 138 (N.J.S.A. 40:14A-1 et seq.),] [the “Local Authorities Fiscal Control Law”, P.L. 1983 c. 313 (N.J.S.A. 40A:5A-1 et seq.),] [the “Borrower Enabling Act” means the “[TITLE OF ACT]”, P.L. ___ c. ___ (N.J.S.A. ___ et seq.),] and a bond resolution of the Borrower adopted on [DATE] and entitled “[TITLE]”, as amended and supplemented, including by a supplemental resolution adopted on [DATE] and entitled “[TITLE]” (such resolutions shall be collectively referred to herein as the “Resolution”). All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

In so acting, we have examined the Constitution and laws of the State of New Jersey, including, without limitation, the Borrower Enabling Act and the ordinance(s) of [_________] creating the Borrower and the by-laws of the Borrower. We have also examined originals, or copies certified or otherwise identified to our satisfaction, of the following:

(a) the Indenture of Trust, dated as of May 1, 2020, by and between the I-Bank and Zions Bancorporation, National Association d/b/a Zions Bank, as the I-Bank’s Trustee, with respect to the I-Bank’s Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds);

(b) the Loan Agreement dated as of May 1, 2020 (the “Loan Agreement”) by and between the I-Bank and the Borrower;

(c) the proceedings of the governing body of the Borrower relating to the approval of the Loan Agreement and the execution, attestation and delivery thereof on behalf of the Borrower and the authorization of the undertaking and completion of the Project;
(d) the Borrower Bond dated May __, 2020 (the “Borrower Bond”) issued by the Borrower to the I-Bank to evidence and secure the Loan; [and]

(e) the proceedings (together with the proceedings referred to in clause (c) above and Section 5 below, the “Proceedings”) of the governing body of the Borrower, including, without limitation, the Resolution, relating to the authorization of the Borrower Bond and the sale, execution, attestation, authentication and delivery thereof to the I-Bank (the Loan Agreement and the Borrower Bond are referred to herein collectively as the “Loan Documents”) [; and]

(f) the service agreement dated as of __________ (the “Service Agreement”) between the Borrower and __________ (the “Underlying Government Unit”), as amended.

(f) the service agreement dated as of __________ (the “Municipal Service Agreement”) between the Borrower and __________ (the “Municipal Underlying Government Unit”), as amended;

(f) the service agreement dated as of __________ (the “Authority Service Agreement”, and together with the Municipal Service Agreement, the “Service Agreement”) between the Borrower and __________ (the “Authority Underlying Government Unit”, and together with the Municipal Underlying Government Unit, the “Underlying Government Unit”), as amended; and

(g) the service agreement dated as of __________ (the “Indirect Service Agreement”) between the Authority Underlying Government Unit and __________ (the “Indirect Underlying Government Unit”), as amended.

(IF JUNIOR LIEN BOND RESOLUTION) [(f)] [(g)] [(i)] the bond resolution of the Borrower (the “Senior Lien Bond Resolution”) authorizing the issuance of bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the Revenues (the “Senior Lien Bonds”).]

We have also examined and relied upon originals, or copies certified or otherwise authenticated to our satisfaction, of such other records, documents, certificates and other instruments, and have made such investigation of law as in our judgment we have deemed necessary or appropriate, to enable us to render the opinions expressed below.

We are of the opinion that:

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

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

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

4. In accordance with the terms of the Resolution and to the extent provided therein, the Borrower has unconditionally and irrevocably pledged the Revenues of its Environmental Infrastructure System for the punctual payment of the Loan Repayments and all other amounts due under the Loan Documents according to their respective terms.

5. The proceedings of the Borrower’s governing body (i) approving the Loan Documents, (ii) authorizing their execution, attestation and delivery on behalf of the Borrower, (iii) with respect to the Borrower Bond only, authorizing its sale by the Borrower to the I-Bank and authorizing its authentication on behalf of the Borrower, (iv) authorizing the Borrower to consummate the transactions contemplated by the Loan Documents, (v) authorizing the Borrower to undertake and complete the Project, [(vi) authorizing the approval of the inclusion in the Official Statement of the Borrower Appendices,] and (vi) [(vii)] authorizing the execution and delivery of all other certificates, agreements, documents and instruments in connection with the execution, attestation and delivery of the Loan Documents [including, without limitation, the designation of the Borrower Appendices portion of the Preliminary Official Statement, if any, as “deemed final” for the purposes and within the meaning of 17 CFR 240.15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 15c2-12”),] have each been duly and lawfully adopted and authorized in accordance with applicable law and applicable resolutions of the Borrower, including, without limitation, the Resolution, the other Proceedings, the Borrower Enabling Act and the Local Authorities Fiscal Control Law, which Proceedings constitute all of the actions necessary to be taken by the Borrower to authorize its actions contemplated by clauses (i) through (vi) [(vii)] above and which Proceedings, including, without limitation, the Resolution, were duly adopted and published, where necessary, in accordance with applicable New Jersey law at a meeting or meetings duly called pursuant to necessary public notice and held in accordance with applicable New Jersey law and at which quorums were present and acting throughout.

6. The Loan Documents have been duly authorized, executed, attested and delivered by the Authorized Officers of the Borrower, the Borrower Bond has been duly sold by the Borrower to the I-Bank and, if applicable, the Borrower Bond has been duly authenticated by the trustee or paying agent under the Resolution; and assuming in the case of the Loan Agreement that the I-Bank has the requisite power and authority to authorize, execute, attest and deliver, and has duly authorized, executed, attested and delivered, the Loan Agreement, the Loan Documents constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium,
reorganization or other similar laws affecting creditors’ rights generally. No opinion is rendered as to the availability of any particular remedy.

7. The authorization, execution, attestation and delivery of the Loan Documents by the Borrower and, in the case of the Borrower Bond only, the authentication thereof by the trustee or paying agent under the Resolution and the sale thereof to the I-Bank, the observation and performance by the Borrower of its duties, covenants, obligations and agreements thereunder, the consummation of the transactions contemplated therein, and the undertaking and completion of the Project do not and will not (i) result in any breach of any of the terms, conditions or provisions of, or (ii) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations is subject.

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

[9. The Borrower and the Underlying Government Unit had and have the right and power under the Constitution and statutes of the State of New Jersey to enter into and execute the Service Agreement and to observe and perform all of their respective duties, covenants, obligations and agreements thereunder, and the Service Agreement has been duly executed and delivered by the Borrower and the Underlying Government Unit and constitutes a valid and legally binding obligation of each of them, enforceable against each of them in accordance with its terms, and obligates the Underlying Government Unit to make payment to the Borrower of Annual Charges as defined in and when due under the Service Agreement.]

[9. The Borrower and the Underlying Government Unit had and have the right and power under the Constitution and statutes of the State of New Jersey to enter into and execute the Service Agreement and to observe and perform all of their respective duties, covenants, obligations and agreements thereunder, and the Service Agreement has been duly executed and delivered by the Borrower and the Underlying Government Unit and constitutes a valid and legally binding obligation of each of them, enforceable against each of them in accordance with its terms, and obligates the Underlying Government Unit to make payment to the Borrower of Annual Charges as defined in and when due under the Service Agreement.

The Authority Underlying Government Unit and the Indirect Underlying Government Unit had and have the right and power under the Constitution and statutes of the State of New Jersey to enter into and execute the Indirect Service Agreement and to observe and perform all of their respective duties, covenants, obligations and agreements thereunder, and the Indirect Service
Agreement has been duly executed and delivered by the Authority Underlying Government Unit and the Indirect Underlying Government Unit and constitutes a valid and legally binding obligation of each of them, enforceable against each of them in accordance with its terms, and obligates the Indirect Underlying Government Unit to make payment to the Authority Underlying Government Unit of Annual Charges (the “Indirect Annual Charges”) as defined in and when due under the Indirect Service Agreement.

[10. The Annual Charges payable by the Underlying Government Unit under the Service Agreement constitute valid, binding, direct and general obligations of the Underlying Government Unit [in accordance with the Borrower Enabling Act], and the Underlying Government Unit has the power and is obligated, if necessary, to levy \textit{ad valorem} taxes upon all the taxable property located in the Underlying Government Unit for the payment of such Annual Charges as the same become due, without limitation as to rate or amount.]

The Indirect Annual Charges payable by the Indirect Underlying Government Unit under the Indirect Service Agreement constitute valid, binding, direct and general obligations of the Indirect Underlying Government Unit, and the Indirect Underlying Government Unit has the power and is obligated, if necessary, to levy \textit{ad valorem} taxes upon all the taxable property located in the Indirect Underlying Government Unit for the payment of such Indirect Annual Charges as the same become due, without limitation as to rate or amount.

[11. There is no litigation or other proceeding pending or, to our knowledge, after due inquiry, threatened in any court or other tribunal of competent jurisdiction (either state or federal) (i) questioning the creation, organization or existence of the Borrower[.] [or] [the Underlying Government Unit] [or the Indirect Underlying Government Unit], (ii) questioning the validity, legality or enforceability of the Resolution, the Loan[.] [or] the Loan Documents[.] [or] [the Service Agreement] [or the Indirect Service Agreement], (iii) questioning the undertaking or completion of the Project, (iv) otherwise challenging the Borrower’s ability to consummate the transactions contemplated by the Loan[.] [or] the Loan Documents[.] [or] [the Service Agreement] [or the Indirect Service Agreement], (v) questioning the imposition or collection of the Annual Charges [or the Indirect Annual Charges], or [(v)] [(vi)] that, if adversely decided, would have a materially adverse impact on the financial condition of the Borrower.

[12. [(IF JUNIOR LIEN BONDS) Other than any Senior Lien Bonds,] [T]he Borrower has no bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the Revenues.
[13.] [11.] To the best of our knowledge, upon due inquiry, (i) all representations made by the Borrower contained within subsections (f) and (h) of Section 2.02 and, if applicable, Exhibit F of the Loan Agreement are true, accurate and complete, and (ii) all expectations contained therein are reasonable, and we know of no reason why the Borrower would be unable to comply on a continuing basis with the covenants contained within subsections (f) and (h) of Section 2.02 and, if applicable, Exhibit F of the Loan Agreement.

[14.] [12.] Assuming that (i) the Borrower complies on a continuing basis with the covenants contained in subsections (f) and (h) of Section 2.02 and, if applicable, Exhibit F of the Loan Agreement, (ii) interest on the I-Bank Bonds is otherwise excluded from gross income of the holders thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and (iii) the proceeds of the I-Bank Bonds loaned to the Borrower represent all of the proceeds of the Loan for their intended purposes will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the I-Bank Bonds and no portion of the I-Bank Bonds will be used in a private use, within the meaning of Section 141 of the Code.

We hereby authorize McCarter & English, LLP, acting as bond counsel to the I-Bank, and the Attorney General of the State of New Jersey, acting as general counsel to the I-Bank, to rely on this opinion as if we had addressed this opinion to them in addition to you.

Very truly yours,
EXHIBIT F

Additional Covenants and Requirements
EXHIBIT F-2

Service Agreement
EXHIBIT G

General Administrative Requirements
for the New Jersey Water Bank
EXHIBIT H

Form of Continuing Disclosure Agreement
LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY INFRASTRUCTURE BANK

AND

[NAME OF BORROWER]

DATED AS OF MAY 1, 2020
IN WITNESS WHEREOF, the I-Bank and the Borrower have caused this Loan Agreement to be executed, sealed and delivered as of the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

ATTEST:

By: __________________________
    Name
    Title

David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]

ATTEST:

By: __________________________
    Authorized Officer
    Title

Authorized Officer
Title
SCHEDULE A

Certain Additional Loan Agreement Provisions

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

Additional Definitions:

[“Authority Underlying Government Unit” means any Underlying Government Unit that is an authority.]

[“Authority Underlying Government Unit”: the Borrower has not entered into a service agreement with an authority underlying government unit and, therefore, the capitalized term “Authority Underlying Government Unit”, when such term is used in this Loan Agreement, shall not be applicable to the provision hereof in which such term appears and, therefore, such term shall have no effect with respect to this Loan Agreement.]

“Bond Indenture” means the Indenture of Trust, dated as of May 1, 2020, by and between the I-Bank and the Trustee (as defined in the Loan Agreement), with respect to the I-Bank’s Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds).

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

“Borrower Bond Resolution” means the resolution of the Borrower entitled “[________________]”, adopted on [________], as amended and supplemented from time to time, [in particular by a supplemental resolution detailing the terms of the Borrower Bond adopted on [_______] and entitled “[__________]”,] pursuant to which the Borrower Bond 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.][“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.

“Entity” means a [municipal] [county] [utilities authority] [sewerage authority], acting as a public body corporate and politic with corporate succession.

[“Indirect Underlying Government Unit”: the Borrower has not entered into a service agreement with an indirect underlying government unit and, therefore, the capitalized term “Indirect Underlying Government Unit”, when such term is used in this Loan Agreement, shall not be applicable to the provision hereof in which such term appears and, therefore, such term shall have no effect with respect to this Loan Agreement.]
“Indirect Underlying Government Unit” means the [________ of __________, in the County of __________], New Jersey, that has entered into a service agreement with [one of] the Authority Underlying Government Unit[s].]

“Interest Payment Dates” means February 1 and August 1 of each year, commencing on _________ 1, 20__.

“Loan” means the loan made by the I-Bank to the Borrower to finance or refinance a portion of the Costs of the Project pursuant to this Loan Agreement. For all purposes of this Loan Agreement, the amount of the Loan at any time shall be the initial aggregate principal amount of the Borrower Bond (which amount equals the amount actually deposited in the Project Loan Account at the Loan Closing plus the Borrower’s allocable share of [(i)] certain costs of issuance and underwriter’s discount for all I-Bank Bonds issued to finance the Loan[.] [and (ii) capitalized interest during the Project construction period]), less any amount of such principal amount that has been repaid by the Borrower under this Loan Agreement and less any adjustment made pursuant to the provisions of the Bond Indenture, including, without limitation, Section 5.02(4) thereof, N.J.A.C. 7:22-4.26 and the appropriations act of the State Legislature authorizing the expenditure of I-Bank Bond proceeds to finance a portion of the Costs of the Project.

“Permitted Pledges” means (i) loan repayments required with respect to the Fund Loan, (ii) the debt service on any future bonds of the Borrower issued at parity with the Borrower Bond under the Borrower Bond Resolution, (iii) the debt service on any bonds, notes or evidences of indebtedness of the Borrower at parity with the Borrower Bond under the Borrower Bond Resolution and currently outstanding or issued on the date hereof, and (iv) the debt service on any Senior Lien Bonds.

“Principal Payment Dates” means August 1 of each year, commencing on August 1, 20__.

“Project Completion Date” means [March 1, 2021] [in the case of a “split project”: ________].

“Project Loan Account Disbursement Deadline” means [June 1, 2021] [in the case of a “split project”: ________].

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

[“Senior Lien Bonds” means existing or future bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the Revenues.

“Senior Lien Bond Resolution” means the bond resolution of the Borrower authorizing the issuance of existing or future bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the Revenues.]  

[“Service Agreement”: the Borrower has not entered into a service agreement and, therefore, the capitalized term “Service Agreement”, when such term is used in this Loan Agreement, shall not be applicable to the provision hereof in which such term appears and,
therefore, such term shall have no effect with respect to this Loan Agreement.]

[“Service Agreement” means the written contractual arrangement entered into by and between the Borrower and the Underlying Government Unit dated [    ], as amended and supplemented, a copy of which is attached hereto as Exhibit F-2.]

[“Service Agreement” means, collectively, the written contractual arrangements entered into by and between the Borrower and each Underlying Government Unit dated [    ] and [    ], respectively, as amended and supplemented, a copy of each of which is attached hereto as Exhibit F-2.]

[“Service Agreement” means, collectively, the written contractual arrangements entered into by and between the Borrower and each Underlying Government Unit, a list of which is attached hereto as Exhibit F-2.]

[“Underlying Government Unit”: the Borrower has not entered into a service agreement with an underlying government unit and, therefore, the capitalized term “Underlying Government Unit”, when such term is used in this Loan Agreement, shall not be applicable to the provision hereof in which such term appears and, therefore, such term shall have no effect with respect to this Loan Agreement.]

[“Underlying Government Unit” means the ____________ of ____________, in the County of ____________, New Jersey, which has entered into the Service Agreement with the Borrower.]

[“Underlying Government Unit” means the County of ____________, New Jersey, which has entered into the Service Agreement with the Borrower.]

[“Underlying Government Unit” means the ________ Joint Meeting, in the County of ____________, New Jersey, which has entered into the Service Agreement with the Borrower.]

[“Underlying Government Unit” means, collectively, the ________ of ____________, in the County of ____________, the ________ of ____________, in the County of ____________, and the Authority, all located in the State of New Jersey, each of which has entered into a Service Agreement with the Borrower.]

SECTION 2.01(a)(vi):

[SERVICE AGREEMENT]

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

OR

[NO SERVICE AGREEMENT]

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

SECTION 2.02(a)(ii):

[SERVICE AGREEMENT]

The Borrower acknowledges that to assure the continued operation and solvency of the I-Bank and to further secure the I-Bank Bonds, 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 any Loan Repayments, an amount sufficient to satisfy such deficiency shall be paid by the New Jersey State Treasurer to the I-Bank from State-aid otherwise payable to the Underlying Government Unit [(other than an Authority Underlying Government Unit)].

OR

[NO SERVICE AGREEMENT]

Section 2.02(a)(ii) is not applicable to this Loan Agreement.

SECTION 2.02(c):

[JUNIOR LIEN BONDS ONLY]

Notwithstanding anything to the contrary in Section 2.02(c) of this Loan Agreement, the I-Bank and the State hereby acknowledge that revenues as defined under the Senior Lien Bond Resolution have a prior lien on revenues of the System to the revenues defined under the junior lien bond resolution.
SECTION 2.02(f)(xi):

[NO RESERVE OR REPLACEMENT FUND]

The Borrower will not have a reserve or replacement fund (within the meaning of Section 148(d)(1) of the Code) allocable to the Borrower Bond evidencing and securing the Loan.

OR

[RESERVE OR REPLACEMENT FUND]

The Borrower has a reserve or replacement fund (within the meaning of Section 148(d)(1) of the Code), a portion of which is allocable to the Borrower Bond evidencing and securing the Loan. To the extent that amounts held in the Borrower’s reserve or replacement fund are allocable, under Treasury Regulations §1.148-6, to the I-Bank Bonds such amounts shall be invested by the Borrower throughout the term of the Loan at a yield not in excess of the yield on the I-Bank Bonds, unless the Borrower receives prior written approval of the I-Bank.

SECTION 2.02(l)(vi):

[SERVICE AGREEMENT]

A copy of the executed Service Agreement and any service agreement entered into between an Authority Underlying Government Unit and an Indirect Underlying Government Unit certified as of the date of the Loan Closing.

OR

[NO SERVICE AGREEMENT]

Section 2.02(l)(vi) is not applicable to this Loan Agreement.

SECTION 3.03(g):

[SERVICE AGREEMENT]

(i) In the event that the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan Repayment or any other payment required under this Loan Agreement when due, the Borrower shall take all measures permitted by its Service Agreement with the Underlying Government Unit to enforce prompt payment by the Underlying Government Unit of its obligations in accordance with the terms of the Service Agreement in order to satisfy such deficiency. The amount so paid to the Trustee shall be deemed to be a credit against the obligations of the Borrower under this Section 3.03, and any such payment made to the Trustee shall fulfill the Borrower’s obligation to pay such amount under this Loan Agreement and the Borrower Bond. Each such payment so made to the Trustee shall be applied first to the Interest Portion then due and payable, second, to the extent available, to the principal of the Loan then due and payable, third, to the extent available, to the Administrative Fee, fourth, to the extent available, to the payment of any late charges incurred hereunder, and finally, to the extent available, to any other
payment required under this Loan Agreement.

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

OR

[NO SERVICE AGREEMENT]
Section 3.03(g) is not applicable to this Loan Agreement.
EXHIBIT F

Additional Covenants and Requirements

[None.]

[Insert current refunding covenants, if any]:

Construction Loan:

(a) A portion of the proceeds of the Loan received by the Borrower in the amount of $________ will be used to pay a portion of the outstanding principal amount of a short-term loan made by the I-Bank to the Borrower on [short-term loan closing date], in the original aggregate principal amount of $________ (the “Construction Loan”), which Construction Loan currently is outstanding in the aggregate principal amount of $__________.

(b) Proceeds of the Construction Loan were used to finance Costs of the Project. No portion of the proceeds received from the Construction Loan or the Loan have been or will be used to pay Costs of the Project which were paid more than 60 days prior to ______________, the date on which the Borrower adopted a resolution which expressed Borrower’s official intent to reimburse itself for Costs of the Project, if any, paid prior to the date the Construction Loan was made.

[For “split projects”]:

Construction Financing Program Loan:

[For Borrowers Without a Service Agreement Only]:

Covenant Regarding Borrowers Without a Service Agreement:

The Borrower hereby covenants and agrees to comply with the provisions set forth in that certain “Credit Policy” of the I-Bank, adopted on January 10, 2013 and thereafter amended from time to time (the “Credit Policy”), that establish the obligation on the part of the Borrower to fund an annual Risk Premium (as defined therein) as and when required pursuant to the provisions of Section VI(2)(II)(B)(a)(i)(b) of the Credit Policy. The Borrower hereby acknowledges that a failure to comply with such terms and provisions of the Credit Policy with respect to the funding of the Risk Premium shall constitute an Event of Default hereunder.

[For Borrowers Issuing Junior Lien Bonds Only]:

Event of Default Pursuant to Borrower Bond Resolution:

The Borrower shall provide written Notice to the I-Bank within thirty (30) days following the occurrence of either an “Event of Default” pursuant to and as defined in the Borrower Bond Resolution, or any event that with the passage of time and/or the giving of notice shall constitute an “Event of Default” pursuant to and as defined in the Borrower Bond Resolution.
[For Projects financed with “Sandy” principal forgiveness]:

**No FEMA Reimbursement:**

The Borrower represents, warrants and agrees that no amounts provided to the Borrower by the United States Federal Emergency Management Agency shall be applied to reimburse the Borrower for any Costs of the Project.

[For Private Use Borrowers Only]:

**Qualified Private Activity Bonds:**

(a) No portion of the proceeds of the I-Bank Bonds loaned to the Local Unit will be used to finance issuance costs (within the meaning of Section 147(g) of the Code).

(b) Assuming for this purpose that (i) the I-Bank has used two percent (2%) of the proceeds of the I-Bank Bonds to finance issuance costs (within the meaning of Section 147(g) of the Code), (ii) the proceeds of the I-Bank Bonds loaned to the Local Unit represent all of the remaining proceeds of the I-Bank Bonds, (iii) the I-Bank Bonds are issued as qualified bonds (within the meaning of Section 141(e) of the Code) that meet the requirements of Section [142(a)(4) [142(a)(5)] of the Code, and (iv) interest on the I-Bank Bonds is otherwise excluded from the gross income of the holders thereof for federal income tax purposes under the Code, the Local Unit shall not, directly or indirectly, use or permit the use of any proceeds of the I-Bank Bonds in a manner that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the I-Bank Bonds.
EXHIBIT F-2

Service Agreement

[None.]
LOAN AGREEMENT
BY AND BETWEEN
NEW JERSEY INFRASTRUCTURE BANK
AND
[NAME OF BORROWER]

DATED AS OF MAY 1, 2020
# TABLE OF CONTENTS

## ARTICLE I

### DEFINITIONS

<table>
<thead>
<tr>
<th>SECTION 1.01.</th>
<th>Definitions</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

## ARTICLE II

### REPRESENTATIONS AND COVENANTS OF BORROWER

<table>
<thead>
<tr>
<th>SECTION 2.01.</th>
<th>Representations of Borrower</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>SECTION 2.02.</td>
<td>Particular Covenants of Borrower</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11</td>
</tr>
</tbody>
</table>

## ARTICLE III

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

<table>
<thead>
<tr>
<th>SECTION 3.01.</th>
<th>Loan; Loan Term</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>SECTION 3.02.</td>
<td>Disbursement of Loan Proceeds</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>SECTION 3.03.</td>
<td>Amounts Payable</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>21</td>
</tr>
<tr>
<td>SECTION 3.03A.</td>
<td>Unexpended Project Funds on Deposit in Project Loan Account</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>23</td>
</tr>
<tr>
<td>SECTION 3.04.</td>
<td>Unconditional Obligations</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>SECTION 3.05.</td>
<td>Loan Agreement to Survive Bond Indenture and I-Bank Bonds</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>SECTION 3.06.</td>
<td>Disclaimer of Warranties and Indemnification</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>SECTION 3.07.</td>
<td>Option to Prepay Loan Repayments</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26</td>
</tr>
<tr>
<td>SECTION 3.08.</td>
<td>Priority of Loan and Fund Loan</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>27</td>
</tr>
<tr>
<td>SECTION 3.09.</td>
<td>Approval of the New Jersey State Treasurer</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>27</td>
</tr>
</tbody>
</table>

## ARTICLE IV

### ASSIGNMENT OF LOAN AGREEMENT AND BORROWER BOND

<table>
<thead>
<tr>
<th>SECTION 4.01.</th>
<th>Assignment and Transfer by I-Bank</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>28</td>
</tr>
<tr>
<td>SECTION 4.02.</td>
<td>Assignment by Borrower</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>28</td>
</tr>
</tbody>
</table>

## ARTICLE V

### EVENTS OF DEFAULT AND REMEDIES

<table>
<thead>
<tr>
<th>SECTION 5.01.</th>
<th>Events of Default</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>29</td>
</tr>
<tr>
<td>SECTION 5.02.</td>
<td>Notice of Default</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>SECTION 5.03.</td>
<td>Remedies on Default</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>SECTION 5.04.</td>
<td>Attorneys’ Fees and Other Expenses</td>
<td>Page</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30</td>
</tr>
</tbody>
</table>
## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>SECTION</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.05</td>
<td>Application of Moneys</td>
<td>30</td>
</tr>
<tr>
<td>5.06</td>
<td>No Remedy Exclusive; Waiver; Notice</td>
<td>31</td>
</tr>
<tr>
<td>5.07</td>
<td>Retention of I-Bank’s Rights</td>
<td>31</td>
</tr>
<tr>
<td>6.01</td>
<td>Notices</td>
<td>32</td>
</tr>
<tr>
<td>6.02</td>
<td>Binding Effect</td>
<td>32</td>
</tr>
<tr>
<td>6.03</td>
<td>Severability</td>
<td>32</td>
</tr>
<tr>
<td>6.04</td>
<td>Amendments, Supplements and Modifications</td>
<td>32</td>
</tr>
<tr>
<td>6.05</td>
<td>Execution in Counterparts</td>
<td>33</td>
</tr>
<tr>
<td>6.06</td>
<td>Applicable Law and Regulations</td>
<td>33</td>
</tr>
<tr>
<td>6.07</td>
<td>Consents and Approvals</td>
<td>33</td>
</tr>
<tr>
<td>6.08</td>
<td>Captions</td>
<td>33</td>
</tr>
<tr>
<td>6.09</td>
<td>Benefit of Loan Agreement; Compliance with Bond Indenture</td>
<td>33</td>
</tr>
<tr>
<td>6.10</td>
<td>Further Assurances</td>
<td>33</td>
</tr>
<tr>
<td>6.11</td>
<td>No Personal Liability</td>
<td>33</td>
</tr>
</tbody>
</table>

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

**EXHIBIT A**

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

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

**EXHIBIT C** Reserved                                                          C-1

**EXHIBIT D** Specimen Borrower Bond                                               D-1

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

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

**EXHIBIT G** General Administrative Requirements for the New Jersey Water Bank G-1

**EXHIBIT H** Form of Continuing Disclosure Agreement                         H-1
NEW JERSEY INFRASTRUCTURE BANK LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into as of May 1, 2020, by and between the NEW JERSEY INFRASTRUCTURE BANK, a public body corporate and politic with corporate succession, and the Borrower (capitalized terms used in this Loan Agreement shall have, unless the context otherwise requires, the meanings ascribed thereto in Section 1.01 hereof);

WITNESSETH THAT:

WHEREAS, the I-Bank, in accordance with the Act, the Bond Indenture and a financial plan approved by the State Legislature in accordance with Sections 22 and 22.1 of the Act, will issue its I-Bank Bonds on or prior to the Loan Closing for the purpose of making the Loan to the Borrower and the Loans to the Borrowers from the proceeds of the I-Bank Bonds to finance a portion of the Costs of Environmental Infrastructure Facilities;

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

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

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

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

WHEREAS, the Borrower, in accordance with the Act, the Regulations, the Business Corporation Law and all other applicable law, will issue a Borrower Bond to the I-Bank evidencing said Loan at the Loan Closing.

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

SECTION 1.01. Definitions.

(a) The following terms as used in this Loan Agreement shall, unless the context clearly requires otherwise, have the following meanings:

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

“Administrative Fee” means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder as an annual fee of up to four-tenths of one percent (0.40%) of the initial principal amount of the Loan or such lesser amount, if any, as may be authorized by any act of the State Legislature and as the I-Bank may approve from time to time.

“Authorized Officer” means (i) in the case of the I-Bank, the Chairman, Vice-Chairman or Executive Director of the I-Bank, or any other person or persons designated by the I-Bank by resolution to act on behalf of the I-Bank pursuant to this Loan Agreement, and (ii) in the case of the Borrower, any person or persons authorized pursuant to a resolution of the board of directors of the Borrower to perform any act or execute any document relating to the Loan, the Borrower Bond or this Loan Agreement.

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

“Borrower Bond” means the general obligation bond, note, debenture or other evidence of indebtedness, authorized, executed, attested and delivered by the Borrower to the I-Bank and, if applicable, authenticated on behalf of the Borrower to evidence and secure the Borrower’s obligations to pay the Loan Repayments and all other amounts due and owing by the Borrower under this Loan Agreement, a specimen of which is attached hereto as Exhibit D and made a part hereof.

“Borrowers” means any other Local Government Unit or Private Entity (as such terms are defined in the Regulations) authorized to construct, operate and maintain Environmental Infrastructure Facilities that have entered into Loan Agreements with the I-Bank pursuant to which the I-Bank will make Loans to such recipients from moneys on deposit in the Project Fund, excluding the Project Loan Account.

“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 Financing Program Loan” means any loan that may have been made on the date of the Loan Closing by the I-Bank to the Borrower pursuant to the Construction Financing Program of the I-Bank for the purpose of financing a portion of the Costs of the Project, and, if made and outstanding, shall be identified and described in Exhibit F hereto.

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

“Department” means the New Jersey Department of Environmental Protection

“Environmental Infrastructure Facilities” means Water Supply Facilities (as such terms are defined in the Regulations).

“Environmental Infrastructure System” means the Environmental Infrastructure Facilities of the Borrower, including the Project, described in Exhibit A-1 attached hereto and made a part hereof, a portion of the Costs of which is being financed or refinanced by the I-Bank through the making of the Loan pursuant to the terms and provisions of this Loan Agreement.

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

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

“Fund Loan” means the loan made to the Borrower by the State, acting by and through the Department, pursuant to the Fund Loan Agreement dated as of May 1, 2020 by and between the Borrower and the State, acting by and through the Department, to finance or refinance a portion of the Costs of the Project.

“Fund Loan Agreement” means the loan agreement dated as of May 1, 2020 by and between the Borrower and the State, acting by and through the Department, regarding the terms and conditions of the Fund Loan.

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

“I-Bank Bond Loan Repayments” means the repayments of the principal amount of the Loan plus the payment of any premium associated with prepaying the principal amount of the Loan in accordance with Section 3.07 hereof plus the Interest Portion.

“I-Bank Bonds” means bonds authorized by Section 2.03 of the Bond Indenture, together with any refunding bonds authenticated and delivered pursuant to Section 2.04 of the Bond Indenture, in each case issued in order to finance (i) the portion of the Loan deposited in the Project
Loan Account, (ii) the portion of the Loans deposited in the balance of the Project Fund, (iii) any capitalized interest related to such bonds, and (iv) a portion of the costs of issuance related to such bonds, or to refinance any or all of the above.

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

“Interest Portion” means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder that is necessary to pay the Borrower’s proportionate share of interest on the I-Bank Bonds (i) as set forth in Exhibit A-2 hereof under the column heading entitled “Interest”, or (ii) with respect to any prepayment of I-Bank Bond Loan Repayments in accordance with Section 3.07 or 5.03 hereof, to accrue on any principal amount of I-Bank Bond Loan Repayments to the date of the optional redemption or acceleration, as the case may be, of the I-Bank Bonds allocable to such prepaid or accelerated I-Bank Bond Loan Repayment.

“Loan” means the loan made by the I-Bank to the Borrower to finance or refinance a portion of the Costs of the Project pursuant to this Loan Agreement, as further described in Schedule A attached hereto.

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

“Loan Agreements” means any other loan agreements entered into by and between the I-Bank and one or more of the Borrowers pursuant to which the I-Bank will make Loans to such Borrowers from moneys on deposit in the Project Fund, excluding the Project Loan Account, financed with the proceeds of the I-Bank Bonds.

“Loan Closing” means the date upon which the I-Bank shall issue and deliver the I-Bank Bonds and the Borrower shall deliver its Borrower Bond, as previously authorized, executed, attested and, if applicable, authenticated, to the I-Bank.

“Loan Repayments” means the sum of (i) I-Bank Bond Loan Repayments, (ii) the Administrative Fee, and (iii) any late charges incurred hereunder.

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

“Loans” means the loans made by the I-Bank to the Borrowers under the Loan Agreements from moneys on deposit in the Project Fund, excluding the Project Loan Account.

“Master Program Trust Agreement” means that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the I-Bank, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to Wachovia Bank, National Association), in several capacities thereunder, as supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2001, by and among
United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the I-Bank, as the same may be amended and supplemented from time to time in accordance with its terms.


“Preliminary Official Statement” means the Preliminary Official Statement relating to the issuance of the I-Bank Bonds.

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

“Project” means the Environmental Infrastructure Facilities of the Borrower described in Exhibit A-1 attached hereto and made a part hereof, which constitutes a project for which the I-Bank is permitted to make a loan to the Borrower pursuant to the Act, the Regulations and the Bond Indenture, a portion of the Costs of which is being financed or refinanced by the I-Bank through the making of the Loan pursuant to the terms and provisions of this Loan Agreement, and which may be identified under either the Drinking Water or Clean Water Project Lists with the Project Number specified in Exhibit A-1 attached hereto.

“Project Fund” means the Project Fund as defined in the Bond Indenture.

“Project Loan Account” means the project loan account established on behalf of the Borrower in the Project Fund in accordance with the Bond Indenture to finance all or a portion of the Costs of the Project.

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

“State” means the State of New Jersey.

“Trustee” means, initially, Zions Bancorporation, National Association d/b/a Zions Bank, the Trustee appointed by the I-Bank and its successors as Trustee under the Bond Indenture, as provided in Article X of the Bond Indenture.

“Unexpended Project Funds” shall have the meaning ascribed thereto in Section 3.03A hereof.

(b) In addition to the capitalized terms defined in subsection (a) of this Section 1.01, certain additional capitalized terms used in this Loan Agreement shall, unless the context clearly requires otherwise, have the meanings ascribed to such additional capitalized terms in Schedule A attached hereto and made a part hereof.
(c) Except as otherwise defined herein or where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, agencies and districts. Words importing one gender shall include all genders.
ARTICLE II

REPRESENTATIONS AND COVENANTS OF BORROWER

SECTION 2.01. Representations of Borrower. The Borrower represents for the benefit of the I-Bank, the Trustee and the holders of the I-Bank Bonds as follows:

(a) Organization and Authority.

   (i) The Borrower is a corporation duly created and validly existing pursuant to the Constitution and statutes of the State of New Jersey, including the Business Corporation Law.

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

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

   (iv) The proceedings of the Borrower’s board of directors approving this Loan Agreement and the Borrower Bond, authorizing the execution, attestation and delivery of this Loan Agreement and the Borrower Bond, authorizing the sale of the Borrower Bond to the I-Bank, authorizing the authentication of the Borrower Bond on behalf of the Borrower and authorizing the Borrower to undertake and complete the Project, including, without limitation, the Borrower Bond Resolution (collectively, the “Proceedings”), have been duly and lawfully adopted in accordance with the Business Corporation Law and all other applicable State law at a meeting or meetings that were duly called and held in accordance with the Borrower By-Laws, and at which quorums were present and acting throughout.

   (v) By official action of the Borrower taken prior to or concurrent with the execution and delivery hereof, including, without limitation, the Proceedings, the Borrower has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the execution, attestation, delivery and performance of this Loan Agreement and the transactions contemplated hereby; (B) the issuance of the Borrower Bond and the sale thereof to the I-Bank upon the terms set forth herein; (C) the approval of the inclusion, if such inclusion is deemed necessary in the sole discretion of the I-Bank,
in the Preliminary Official Statement and the Official Statement of all statements and information relating to the Borrower set forth in “APPENDIX B” thereto (the “Borrower Appendices”) and any amendment thereof or supplement thereto; and (D) the execution, delivery and due performance of any and all other certificates, agreements and instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out, give effect to and consummate the transactions contemplated by this Loan Agreement, including, without limitation, the designation of the Borrower Appendices portion of the Preliminary Official Statement, if any, as “deemed final” for the purposes and within the meaning of 17 CFR 240.15c2-12 promulgated by the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 15c2-12”).

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

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

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

(d) **Compliance with Existing Laws and Agreements.** (i) The authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond by the Borrower, (ii) the authentication of the Borrower Bond by the trustee or paying agent under the Borrower Bond Resolution, as the case may be, and the sale of the Borrower Bond to the I-Bank, (iii) the adoption of the Borrower Bond Resolution, (iv) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder and under the Borrower Bond, (v) the consummation of the transactions provided for in this Loan Agreement, the Borrower Bond Resolution and the Borrower Bond, and (vi) the undertaking and completion of the Project will not (A) other than the lien, charge or encumbrance created hereby, by the Borrower Bond, by the Borrower Bond Resolution and by any other outstanding debt obligations of the Borrower that are at parity with the Borrower Bond as to lien on, and source and security for payment thereon from, the 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 resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations is subject.

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

(f) **Governmental Consent.** The Borrower has obtained all permits and approvals required to date by any governmental body or officer (i) for the authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond, (ii) for the issuance of the Borrower Bond and the sale thereof to the I-Bank, (iii) for the adoption of the Borrower Bond Resolution, (iv) for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond, and (v) for the undertaking or completion of the Project and the financing or refinancing thereof, including, but not limited to, if required, the approval by the New Jersey Board of Public Utilities (the “BPU”)
of the issuance by the Borrower of the Borrower Bond to the I-Bank, as required by Section 9a of the Act, and any other approvals required therefor by the BPU; and the Borrower has complied with all applicable provisions of law requiring any notification, declaration, filing or registration with any governmental body or officer in connection with the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond or with the undertaking or completion of the Project and the financing or refinancing thereof. No consent, approval or authorization of, or filing, registration or qualification with, any governmental body or officer that has not been obtained is required on the part of the Borrower as a condition to the authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond, the issuance of the Borrower Bond and the sale thereof to the I-Bank, the undertaking or completion of the Project or the consummation of any transaction herein contemplated.

(g) **Compliance with Law.** The Borrower:

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

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

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

(i) **Official Statement.** The descriptions and information set forth in the Borrower Appendices, if any, contained in the Official Statement relating to the Borrower, its operations and the transactions contemplated hereby, as of the date of the Official Statement, were and, as of the date of delivery hereof, are true and correct in all material respects, and did not and do not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
(j) Preliminary Official Statement. As of the date of the Preliminary Official Statement, the descriptions and information set forth in the Borrower Appendices, if any, contained in the Preliminary Official Statement relating to the Borrower, its operations and the transactions contemplated hereby (i) were “deemed final” by the Borrower for the purposes and within the meaning of Rule 15c2-12 and (ii) were true and correct in all material respects, and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

SECTION 2.02. Particular Covenants of Borrower.

(a) Promise to Pay. The Borrower unconditionally and irrevocably promises in accordance with the terms of and to the extent provided in the Borrower Bond Resolution, to make punctual payment of the principal and redemption premium, if any, of the Loan and the Borrower Bond, the Interest on the Loan, the Interest on the Borrower Bond and all other amounts due under this Loan Agreement and the Borrower Bond according to their respective terms.

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

(c) Borrower Bond; No Prior Liens. Except for (i) the Borrower Bond, (ii) any bonds or notes at parity with the Borrower Bond and currently outstanding or issued on the date hereof, (iii) any future bonds or notes of the Borrower issued under the Borrower Bond Resolution at parity with the Borrower Bond, and (iv) any Permitted Encumbrances (as defined in the Borrower Bond Resolution), the assets of the Borrower that are subject to the Borrower Bond Resolution are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the Borrower Bond, and all corporate or other action on the part of the Borrower to that end has been and will be duly and validly taken.

(d) Completion of Project and Provision of Moneys Therefor. The Borrower covenants and agrees to exercise its best efforts in accordance with prudent environmental infrastructure utility practice to complete the Project and to accomplish such completion on or before the Project Completion Date. In undertaking and completing the Project, the Borrower covenants and agrees to comply with each of the terms and provisions contained herein, including, without limitation, the Exhibits hereto (including, without limitation, Exhibit G hereto). In order to complete the
Project in satisfaction of the terms and provisions hereof, including, without limitation, the Exhibits hereto, the Borrower hereby covenants and agrees to provide from its own fiscal resources all moneys, in excess of the total amount of loan proceeds it receives pursuant to the Loan and the Fund Loan, as well as any outstanding Construction Financing Program Loan, that are required in order to complete the Project.

(e) See Section 2.02(e) as set forth in Schedule A attached hereto, made a part hereof and incorporated in this Section 2.02(e) by reference as if set forth in full herein.

(f) Exclusion of Interest from Federal Gross Income and Compliance with Code.

(i) The Borrower acknowledges that that the Loan is funded from proceeds of the I-Bank Bonds, the interest on which is excluded from gross income for purposes of federal income taxation pursuant to Section 103 of the Code. Accordingly, the Borrower covenants and agrees that it shall not take any action or omit to take any action that would result in the loss of the exclusion of the interest on any I-Bank Bonds now or hereafter issued from gross income for purposes of federal income taxation as that status is governed by Section 103(a) of the Code.

(ii) The Borrower shall not directly or indirectly use, or permit the use of, any proceeds of the Loan to pay, reimburse or refinance costs of a facility that is not a facility described in Section 142(a)(4), (5) or (6) of the Code, or property that is functionally related and subordinate thereto. All of the costs to be paid, reimbursed or refinanced by the Borrower with proceeds of the Loan will be costs that are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of “placed in service” under Treasury Regulations §1.150-2(c)), of such a facility, under general federal income tax principles. No costs paid, reimbursed or refinanced by the Borrower with proceeds of the Loan will be for the acquisition of any property, or an interest therein, which was first used by another person, within the meaning of Section 147(d) of the Code, other than possibly land. No more than twenty-five percent (25%) of the proceeds of the Loan will be used (directly or indirectly) for the acquisition of land or an interest therein. No costs paid, reimbursed or refinanced by the Borrower with proceeds of the Loan will be for “costs of issuance,” within the meaning of Section 147(g) of the Code, of the I-Bank Bonds.

(iii) The Borrower shall not directly or indirectly use or permit the use of any proceeds of the Loan (or amounts replaced with such proceeds) or any other funds or take any action or omit to take any action that would cause the I-Bank Bonds (assuming solely for this purpose that the proceeds of the Loan represent all of the proceeds of the I-Bank Bonds) to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

(iv) The Borrower shall not directly or indirectly use or permit the use of any proceeds of the Loan to pay the principal of or the interest or redemption premium on or any other amount in connection with the retirement or redemption of any issue of state or local governmental obligations (“refinancing of indebtedness”), unless the Borrower shall (A) establish to the satisfaction of the I-Bank, prior to the issuance of the I-Bank Bonds, that such refinancing of indebtedness will not adversely affect the exclusion from gross
income for federal income tax purposes of the interest on the I-Bank Bonds, and (B) provide to the I-Bank an opinion of Bond Counsel to that effect in form and substance satisfactory to the I-Bank.

(v) The Borrower shall not directly or indirectly use or permit the use of any proceeds of the Loan to reimburse the Borrower, or a “related party” (within the meaning of Treasury Regulations §1.150-1) to the Borrower, for an expenditure with respect to Costs of the Project paid by the Borrower prior to the issuance of the I-Bank Bonds, unless (A) the allocation by the Borrower of the proceeds of the I-Bank Bonds to reimburse such expenditure complies with the requirements of Treasury Regulations §1.150-2 that are necessary in order to enable the reimbursement allocation to be treated as an expenditure of the proceeds of the I-Bank Bonds for purposes of applying Sections 103 and 141-150, inclusive, of the Code, or (B) such proceeds of the I-Bank Bonds will be used for refinancing of indebtedness that was used to pay Costs of the Project or to reimburse the Borrower for expenditures with respect to Costs of the Project paid by the Borrower prior to the issuance of such indebtedness in accordance with a reimbursement allocation for such expenditures that complies with the requirements of Treasury Regulations §1.150-2.

(vi) The Borrower shall not use the proceeds of the Loan (assuming solely for this purpose that the proceeds of the I-Bank Bonds loaned to the Borrower represent all of the proceeds of the I-Bank Bonds) in any manner that would cause the I-Bank Bonds to be considered “federally guaranteed” within the meaning of Section 149(b) of the Code or “hedge bonds” within the meaning of Section 149(g) of the Code.

(vii) The Borrower shall not cause to be issued any debt obligations, the interest on which is excluded from gross income for purposes of federal income taxation pursuant to Section 103 of the Code, which (A) are sold at substantially the same time as the I-Bank Bonds and which finance or refinance Costs of the Project or costs related to the Project, (B) are sold pursuant to the same plan of financing as the Loan, and (C) are reasonably expected to be paid out of substantially the same source of funds as the Loan.

(viii) Neither the Borrower nor any “related party” (within the meaning of Treasury Regulations §1.150-1) shall purchase I-Bank Bonds in an amount related to the amount of the Loan.

(ix) The Borrower will not issue or permit or cause to be issued obligations that will constitute a “refunding” (within the meaning of Treasury Regulations §1.150-1(d)) of I-Bank Bonds.

(x) See Section 2.02(f)(x) as set forth in Schedule A attached hereto, made a part hereof and incorporated in this Section 2.02(f)(x) by reference as if set forth in full herein.

(xi) To the extent proceeds of the I-Bank Bonds are to be used to finance, rather than refinance, Costs of the Project, the Borrower covenants that the Borrower will satisfy the requirements of Treasury Regulations §1.148-2(e)(2) for a three (3) year temporary period with respect to such portion of the Loan. Accordingly, the Borrower represents that,
based upon all of the objective facts and circumstances in existence on the date of issuance of the I-Bank Bonds, with respect to the portion of the Loan that is to be used to finance Costs of the Project, (A) within six months of the date of issuance of the I-Bank Bonds used to finance the Project, the Borrower will incur, or will have incurred, a substantial binding obligation to a third party to expend on the Project at least five percent (5%) of such “net sale proceeds” (within the meaning of Treasury Regulations §1.148-1) of the Loan used to finance the Project (treating an obligation as not being binding if it is subject to contingencies within the control of the Borrower, the I-Bank or a “related party” (within the meaning of Treasury Regulations §1.150-1)), (B) completion of the Project and the allocation to expenditures of the “net sale proceeds” of the Loan used to finance the Project will proceed with due diligence, and (C) all of the proceeds of the Loan used to finance Costs of the Project and investment earnings thereon will be spent prior to the period ending three (3) years subsequent to the date of issuance of the I-Bank Bonds used to finance the Project.

(xii) Computed as of the issue date of the I-Bank Bonds that are issued to finance or refinance Costs of the Project, the weighted average maturity of the Loan does not exceed 120% of the average reasonably expected economic life of the Project financed or refinanced with the Loan, determined in the same manner as under Section 147(b) of the Code.

(xiii) The Borrower shall, within thirty (30) days of date the Borrower concludes that no additional proceeds of the Loan will be required to pay Costs of the Project, provide to the I-Bank a certificate of the Borrower evidencing such conclusion.

For purposes of this subsection and subsection (h) of this Section 2.02, quoted terms not otherwise defined, shall have the meanings given thereto by Sections 148 and 150 of the Code, including, particularly, Treasury Regulations §§1.148-1 through 1.148-11, inclusive, and Treasury Regulations §1.150-(1) and (2), as supplemented or amended, to the extent applicable to the I-Bank Bonds, and any successor Treasury Regulations applicable to the I-Bank Bonds.

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

(h) Records and Accounts.

(i) The Borrower shall keep accurate records and accounts for its Environmental Infrastructure System (the “System Records”) separate and distinct from its other records and accounts (the “General Records”). Such System Records shall be audited annually by an independent certified public accountant, which may be part of the annual
(ii) Within thirty (30) days following receipt of any Loan proceeds, including without limitation the “Allowance for Administrative Costs” or the “Allowance for Planning and Design” set forth in Exhibit B hereto, the Borrower shall allocate such proceeds to expenditures in a manner that satisfies the requirements of Treasury Regulation §1.148-6(d) and transmit a copy of each such allocation to the I-Bank. No portion of the Allowance for Administrative Costs will be allocated to a cost other than a cost described in N.J.A.C. 7:22-5.11(a) 3, 4 or 6. No portion of the Allowance for Planning and Design will be allocated to a cost other than a cost described N.J.A.C. 7:22-5.12, or other costs of the Borrower’s Environmental Infrastructure System which are “capital expenditures,” within the meaning of Treasury Regulations §1.150-1. The Borrower shall retain records of such allocations for at least until the date that is three years after the scheduled maturity date of the I-Bank Bonds. The Borrower shall make such records available to the I-Bank within 15 days of any request by the I-Bank.

(iii) Unless otherwise advised in writing by the I-Bank, in furtherance of the covenant of the Borrower contained in subsection (f) of this Section 2.02 not to cause the I-Bank Bonds to be arbitrage bonds, the Borrower shall keep, or cause to be kept, accurate records of each investment it makes in any “nonpurpose investment” acquired with, or otherwise allocated to, “gross proceeds” of the I-Bank Bonds not held by the Trustee and each “expenditure” it makes allocated to “gross proceeds” of the I-Bank Bonds. Such records shall include the purchase price, including any constructive “payments” (or in the case of a “payment” constituting a deemed acquisition of a “nonpurpose investment” (e.g., a “nonpurpose investment” first allocated to “gross proceeds” of the I-Bank Bonds after it is actually acquired because it is deposited in a sinking fund for the I-Bank Bonds)), the “fair market value” of the “nonpurpose investment” on the date first allocated to the “gross proceeds” of the I-Bank Bonds, nominal interest rate, dated date, maturity date, type of property, frequency of periodic payments, period of compounding, yield to maturity, amount actually or constructively received on disposition (or in the case of a “receipt” constituting a deemed disposition of a “nonpurpose investment” (e.g., a “nonpurpose investment” that ceases to be allocated to the “gross proceeds” of the I-Bank Bonds because it is removed from a sinking fund for the I-Bank Bonds)), the “fair market value” of the “nonpurpose investment” on the date it ceases to be allocated to the “gross proceeds” of the I-Bank Bonds, nominal interest rate, dated date, maturity date, type of property, frequency of periodic payments, period of compounding, yield to maturity, amount actually or constructively received on disposition (or in the case of a “receipt” constituting a deemed disposition of a “nonpurpose investment” (e.g., a “nonpurpose investment” that ceases to be allocated to the “gross proceeds” of the I-Bank Bonds because it is removed from a sinking fund for the I-Bank Bonds)), the “fair market value” of the “nonpurpose investment” on the date it ceases to be allocated to the “gross proceeds” of the I-Bank Bonds, the purchase date and disposition date of the “nonpurpose investment” and evidence of the “fair market value” of such property on the purchase date and disposition date (or deemed purchase or disposition date) for each such “nonpurpose investment”. The purchase date, disposition date and the date of determination of “fair market value” shall be the date on which a contract to purchase or sell the “nonpurpose investment” becomes binding, i.e., the trade date rather than the settlement date. For
purposes of the calculation of purchase price and disposition price, brokerage or selling commissions, administrative expenses or similar expenses shall not increase the purchase price of an item and shall not reduce the amount actually or constructively received upon disposition of an item, except to the extent such costs constitute “qualified administrative costs”.

(iv) Within thirty (30) days of the last day of the fifth and each succeeding fifth “bond year” (which, unless otherwise advised by the I-Bank, shall be the five-year period ending on the date five years subsequent to the date immediately preceding the date of issuance of the I-Bank Bonds and each succeeding fifth “bond year”) and within thirty (30) days of the date the last bond that is part of the I-Bank Bonds is discharged (or on any other periodic basis requested in writing by the I-Bank), the Borrower shall (A) calculate, or cause to be calculated, the “rebate amount” as of the “computation date” or “final computation date” attributable to any “nonpurpose investment” made by the Borrower and (B) remit the following to the I-Bank: (1) an amount of money that when added to the “future value” as of the “computation date” of any previous payments made to the I-Bank on account of rebate equals the “rebate amount”, (2) the calculations supporting the “rebate amount” attributable to any “nonpurpose investment” made by the Borrower allocated to “gross proceeds” of the I-Bank Bonds, and (3) any other information requested by the I-Bank relating to compliance with Section 148 of the Code (e.g., information related to any “nonpurpose investment” of the Borrower for purposes of application of the “universal cap”).

(v) The Borrower covenants and agrees that it will account for “gross proceeds” of the I-Bank Bonds, investments allocable to the I-Bank Bonds and expenditures of “gross proceeds” of the I-Bank Bonds in accordance with Treasury Regulations §1.148-6. All allocations of “gross proceeds” of the I-Bank Bonds to expenditures will be recorded on the books of the Borrower kept in connection with the I-Bank Bonds no later than 18 months after the later of the date the particular Costs of the Project are paid or the date the portion of the project financed by the I-Bank Bonds is placed in service. All allocations of proceeds of the I-Bank Bonds to expenditures will be made no later than the date that is 60 days after the fifth anniversary of the date the I-Bank Bonds are issued or the date 60 days after the retirement of the I-Bank Bonds, if earlier. Such records and accounts will include the particular Costs paid, the date of the payment and the party to whom the payment was made.

(vi) From time to time as directed by the I-Bank, the Borrower shall provide to the I-Bank a written report demonstrating compliance by the Borrower with the provisions of Section 2.02(f) of this Loan Agreement, each such written report to be submitted by the Borrower to the I-Bank in the form of a full and complete written response to a questionnaire provided by the I-Bank to the Borrower. Each such questionnaire shall be provided by the I-Bank to the Borrower not less than fourteen (14) days prior to the date established by the I-Bank for receipt from the Borrower of the full and complete written response to the questionnaire.

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

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

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

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

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

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

(iii) copies of those resolutions finally adopted by the board of directors of the Borrower and requested by the I-Bank, including, without limitation, (A) the resolution of the Borrower authorizing the execution, attestation and delivery of this Loan Agreement, (B) the Borrower Bond Resolution, as amended and supplemented as of the date of the Loan Closing, authorizing the execution, attestation, authentication, sale and delivery of the Borrower Bond to the I-Bank, (C) the resolution of the Borrower, if any, confirming the details of the sale of the Borrower Bond to the I-Bank, (D) the resolution of the
Borrower, if any, declaring its official intent to reimburse expenditures for the Costs of the Project from the proceeds of the I-Bank Bonds, each of said resolutions of the Borrower being certified by an Authorized Officer of the Borrower as of the date of the Loan Closing, (E) the resolution of the BPU approving the issuance by the Borrower of the Borrower Bond to the I-Bank and setting forth any other approvals required therefor by the BPU, if applicable, and (F) any other Proceedings;

(iv) if the Loan is being made to reimburse the Borrower for all or a portion of the Costs of the Project or to refinance indebtedness or reimburse the Borrower for the repayment of indebtedness previously incurred by the Borrower to finance all or a portion of the Costs of the Project, an opinion of Bond Counsel, in form and substance satisfactory to the I-Bank, to the effect that such reimbursement or refinancing will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the I-Bank Bonds; and

(v) the certificates of insurance coverage as required pursuant to the terms of Section 3.06(d) hereof and such other certificates, documents, opinions and information as the I-Bank may require in Exhibit F hereto, if any.

(m) Execution and Delivery of Borrower Bond. Concurrently with the delivery of this Loan Agreement at the Loan Closing, the Borrower shall also deliver to the I-Bank the Borrower Bond, as previously executed, attested and, if applicable, authenticated, upon the receipt of a written certification of the I-Bank that a portion of the net proceeds of the I-Bank Bonds shall be deposited in the Project Loan Account simultaneously with the delivery of the Borrower Bond.

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

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

(p) Additional Covenants and Requirements. (i) No later than the Loan Closing and, if necessary, in connection with the I-Bank’s issuance of the I-Bank Bonds or the making of the Loan, additional covenants and requirements have been included in Exhibit F hereto and made a part hereof. Such covenants and requirements may include, but need not be limited to the maintenance of specified levels of Environmental Infrastructure System rates, the issuance of additional debt of the Borrower, the use by or on behalf of the Borrower of certain proceeds of the I-Bank Bonds as such use relates to the exclusion from gross income for federal income tax purposes of the interest on any I-Bank Bonds, the transfer of revenues and receipts from the Borrower’s Environmental Infrastructure System, compliance with Rule 15c2-12, 17 CFR 240.10b-5, promulgated by the SEC under the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 10b-5”), and any other applicable federal, state or self-regulatory organizational securities laws, regulations and rules, and
matters in connection with the appointment of the Trustee under the Bond Indenture and any successors thereto. The Borrower hereby agrees to observe and comply with each such additional covenant and requirement, if any, included in Exhibit F hereto as if the same were set forth herein in its entirety. (ii) Additional defined terms, covenants, representations and requirements have been included in Schedule A attached hereto and made a part hereof. Such additional defined terms, covenants, representations and requirements are incorporated in this Loan Agreement by reference thereto as if set forth in full herein and the Borrower hereby agrees to observe and comply with each such additional term, covenant, representation and requirement included in Schedule A as if the same were set forth in its entirety where reference thereto is made in this Loan Agreement.

(q) Continuing Disclosure Covenant. To the extent that the I-Bank, in its sole discretion, determines, at any time prior to the termination of the Loan Term, that the Borrower is a material “obligated person”, as the term “obligated person” is defined in Rule 15c2-12, with materiality being determined by the I-Bank pursuant to criteria established, from time to time, by the I-Bank in its sole discretion and set forth in a bond resolution or official statement of the I-Bank, the Borrower hereby covenants that it will authorize and provide to the I-Bank, for inclusion in any preliminary official statement or official statement of the I-Bank, all statements and information relating to the Borrower deemed material by the I-Bank for the purpose of satisfying Rule 15c2-12 as well as Rule 10b-5, including certificates and written representations of the Borrower evidencing its compliance with Rule 15c2-12 and Rule 10b-5; and the Borrower hereby further covenants that the Borrower shall execute and deliver the Continuing Disclosure Agreement, in substantially the form attached hereto as Exhibit H, with such revisions thereto prior to execution and delivery thereof as the I-Bank shall determine to be necessary, desirable or convenient, in its sole discretion, for the purpose of satisfying Rule 15c2-12 and the purposes and intent thereof, as Rule 15c2-12, its purposes and intent may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction; and pursuant to the terms and provisions of the Continuing Disclosure Agreement, the Borrower shall thereafter provide on-going disclosure with respect to all statements and information relating to the Borrower in satisfaction of the requirements set forth in Rule 15c2-12 and Rule 10b-5, including, without limitation, the provision of certificates and written representations of the Borrower evidencing its compliance with Rule 15c2-12 and Rule 10b-5.
ARTICLE III

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. Loan; Loan Term.

(a) The I-Bank hereby agrees (i) to make the Loan, as described in Exhibit A-2 attached hereto and made a part hereof, to the Borrower, and (ii) to disburse the proceeds of the Loan to the Borrower in accordance with Section 3.02 hereof. The Borrower hereby agrees to borrow and accept the Loan from the I-Bank upon the terms set forth in Exhibit A-2 attached hereto and made a part hereof. The Borrower agrees that the amount actually deposited in the Project Loan Account at the Loan Closing plus the Borrower’s allocable share of (i) certain costs of issuance and underwriter’s discount for all I-Bank Bonds issued to finance the Loan; and (ii) capitalized interest during the Project construction period, if applicable; shall constitute the initial principal amount of the Loan (as the same may be adjusted downward in accordance with the definition thereof), and neither the I-Bank nor the Trustee shall have any obligation thereafter to loan any additional amounts to the Borrower.

(b) Notwithstanding the provisions of subsection (a) of this Section 3.01 to the contrary, the I-Bank shall be under no obligation (i) to make the Loan to the Borrower if (1) at the Loan Closing, the Borrower does not deliver to the I-Bank the Borrower Bond and such other documents as are required pursuant to Section 2.02(l) hereof, or (2) an Event of Default has occurred and is continuing pursuant to, and as defined in, the Bond Indenture or pursuant to this Loan Agreement, or (ii) to disburse the proceeds of the Loan to the Borrower in accordance with Section 3.02 hereof, unless each of the conditions precedent to such disbursement, as set forth in Section 3.02 hereof, have been satisfied in full.

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

(d) The payment obligations of the Borrower created pursuant to the terms of this Loan Agreement are secured by the Borrower Bond. The obligations of the Borrower to pay the principal of the Borrower Bond, Interest on the Borrower Bond, and other amounts due under the Borrower Bond are each direct, general, irrevocable and unconditional obligations of the Borrower payable from any source legally available to the Borrower in accordance with the terms of and to the extent provided in the Borrower Bond Resolution.

SECTION 3.02. Disbursement of Loan Proceeds.

(a) The Trustee, as the agent of the I-Bank, shall disburse the amounts on deposit in the Project Loan Account to the Borrower (i) upon receipt of a requisition executed by an Authorized Officer of the Borrower, and approved by the I-Bank, in a form satisfying the requirements of Section 5.02(3) of the Bond Indenture, and (ii) subject to the schedule limitations set forth in subsection (c) of this Section 3.02.

(b) The I-Bank and the Trustee shall not be required to disburse any Loan proceeds to the Borrower pursuant to this Loan Agreement, unless:
(i) the proceeds of the I-Bank Bonds shall be available for disbursement, as determined by the I-Bank in its sole and absolute discretion;

(ii) in accordance with the Bond Act, and the Regulations, the Borrower shall have timely applied for, shall have been awarded and, prior to or simultaneously with the Loan Closing, shall have closed, a Fund Loan for a portion of the Allowable Costs (as defined in such Regulations) of the Project;

(iii) the Borrower shall have on hand moneys to pay for (A) that portion of the total Costs of the Project that is not eligible to be funded from the Fund Loan or the Loan or any outstanding Construction Financing Program Loan, and/or (B) that portion of the total Costs of the Project that exceeds the actual amounts of the loan commitments made by the State and the I-Bank, respectively, for the Fund Loan and the Loan and any outstanding Construction Financing Program Loan; and

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

(c) Notwithstanding any provision of this Loan Agreement to the contrary, the I-Bank and the Trustee shall not disburse Loan proceeds to the Borrower from the Project Loan Account pursuant to the provisions of this Section 3.02 at any time on or after Project Loan Account Disbursement Deadline, and, as of such date, any Loan proceeds that remain on deposit in the Project Loan Account shall no longer be available to the Borrower via the disbursement procedures of this Section 3.02, but shall be disbursed only as provided in Section 3.03A hereof.

SECTION 3.03. Amounts Payable.

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

(i) the principal of the Loan shall be repaid annually on the Principal Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof, as the same may be amended or modified by any credits applicable to the Borrower as set forth in the Bond Indenture;

(ii) the Interest Portion described in clause (i) of the definition thereof shall be paid semiannually on the Interest Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof, as the same may be amended or modified by any credits applicable to the Borrower as set forth in the Bond Indenture; and

(iii) the Interest Portion described in clause (ii) of the definition thereof shall be paid upon the date of optional redemption or acceleration, as the case may be, of the I-Bank Bonds allocable to any prepaid or accelerated I-Bank Bond Loan Repayment.

The obligations of the Borrower under the Borrower Bond shall be deemed to be amounts payable under this Section 3.03. Each Loan Repayment, whether satisfied through a direct payment by the Borrower to the Trustee or (with respect to the Interest Portion) through the use of
I-Bank Bond proceeds and income thereon on deposit in the Interest Account (as defined in the Bond Indenture) to pay interest on the I-Bank Bonds, shall be deemed to be a credit against the corresponding obligation of the Borrower under this Section 3.03 and shall fulfill the Borrower’s obligation to pay such amount hereunder and under the Borrower Bond. Each payment made to the Trustee pursuant to this Section 3.03 shall be applied first to the Interest Portion then due and payable, second to the principal of the Loan then due and payable, third to the payment of the Administrative Fee, and finally to the payment of any late charges hereunder.

(b) The Interest on the Loan described in clause (iii) of the definition thereof shall (i) consist of a late charge for any I-Bank Bond Loan Repayment that is received by the Trustee later than its due date and (ii) be payable immediately thereafter in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one-half of one percent (0.50%) per annum on such late payment from its due date to the date it is actually paid; provided, however, that the rate of Interest on the Loan, including, without limitation, any late payment charges incurred hereunder, shall not exceed the maximum interest rate permitted by law.

(c) The Borrower shall receive, as a credit against its semiannual payment obligations of the Interest Portion, the amounts, if any, certified by the I-Bank pursuant to Section 5.10 of the Bond Indenture. Such amounts shall represent the Borrower’s allocable share of the interest earnings on certain funds and accounts established under the Bond Indenture, as calculated and determined in accordance with Section 5.10 of the Bond Indenture.

(d) In accordance with the provisions of the Bond Indenture, the Borrower shall receive, as a credit against its I-Bank Bond Loan Repayments, the amounts, if any, set forth in the certificate of the I-Bank filed with the Trustee pursuant to Section 5.02(4) of the Bond Indenture.

(e) The Interest on the Loan described in clause (ii) of the definition thereof shall be paid by the Borrower in the amount of one-half of the Administrative Fee, if any, to the Trustee semiannually on each February 1 and August 1, commencing August 1, 2020.

(f) The “DEP Loan Surcharge or Loan Origination Fee” as defined in Section 8 of Exhibit B attached hereto and made a part hereof, as additionally identified in Exhibit A-2 attached hereto and made a part hereof, (the “DEP Fee”) shall be paid by the Borrower to the Trustee on the date indicated therein in satisfaction of the payment obligation of the Borrower to the Department, and the obligation of the Borrower with respect to the payment of such DEP Fee shall be an obligation of the Borrower under the Borrower Bond and an amount payable pursuant to this Section 3.03. For purposes of crediting and applying the payment by the Borrower of the DEP Fee upon receipt thereof as provided hereby, the Trustee shall credit and apply such payment of the DEP Fee pursuant to the terms and provisions of the Bond Indenture that relate to the payment, crediting and application of the State Administrative Fee (as defined in the Bond Indenture), notwithstanding that fact that (i) the DEP Fee and the State Administrative Fee are separate and distinct fee payment obligations to be satisfied by the Borrower, and (ii) as of the date hereof, there is no State Administrative Fee due and payable by the Borrower. The Trustee, as assignee hereof, hereby agrees to the credit and application of the DEP Fee upon payment thereof as provided hereby.
The Borrower hereby agrees to pay to the I-Bank at the Loan Closing a “Security Review Fee” in the amount necessary to reimburse the I-Bank for all of its costs and expenses incurred in connection with reviewing the additional security securing the I-Bank Loan as set forth in Exhibit F hereto, if any, including without limitation the fees and expenses of any professional advisers hired by the I-Bank in connection therewith.

Each payment made by the Borrower pursuant to, and in satisfaction of, the requirements of this Section 3.03 shall be made by the Borrower to the Trustee via an electronic transfer of immediately available funds; provided, however, that upon thirty (30) days prior written notice to the Borrower, an Authorized Officer of the I-Bank may, in the sole discretion of such Authorized Officer, prescribe an alternative method by which payments pursuant to, and in satisfaction of, this Section 3.03 shall be made by the Borrower to the Trustee. Such method as prescribed by an Authorized Officer of the I-Bank may include, without limitation, the automatic debit by the I-Bank or the Trustee of the respective amounts of such payments, as required by this Section 3.03, from an account that shall be identified by the Borrower in writing and recorded on file with the I-Bank and the Trustee.

SECTION 3.03A. Unexpended Project Funds on Deposit in Project Loan Account.

(a) If, on the Project Loan Account Disbursement Deadline, any amounts remain on deposit in the Borrower’s Project Loan Account (“Unexpended Project Funds”), such Unexpended Project Funds on deposit in the Borrower’s Project Loan Account shall thereafter be applied, as follows:

(i) If I-Bank Bonds can be redeemed within sixty (60) days of the Project Loan Account Disbursement Deadline, the Excess Project Funds shall be used by the I-Bank within such sixty (60) day period to redeem I-Bank Bonds, including payment of the premium, if any, associated with such redemption. The I-Bank Bonds shall be redeemed in inverse order of their maturity. The amount of any maturity redeemed shall not exceed the same proportion as the Loan bears to all Loans made from proceeds of the I-Bank Bonds rounded down to whole denominations or any integral multiple. The aggregate amount of I-Bank Bonds so redeemed shall not be less than the amount of nonqualified bonds allocable to the Borrower under Treasury Regulations §1.142-12. The Excess Project Funds used to redeem I-Bank Bonds shall be applied by the I-Bank as a prepayment of the Borrower’s Loan Repayments with respect to the redeemed bonds. Any excess shall be held by I-Bank invested at a yield which does not exceed the yield on the I-Bank Bonds.

(ii) If I-Bank Bonds cannot be redeemed within sixty (60) days of the Project Loan Account Disbursement Deadline, the I-Bank shall, within such sixty (60) day period, (A) deposit all of the Excess Project Funds in a defeasance escrow established to defease I-Bank Bonds in inverse order of their maturity, in the same proportion as the Loan bears to all Loans made from proceeds of the I-Bank Bonds, (B) provide the notice to the Internal Revenue Service required pursuant to Treasury Regulations §1.142-2(c)(2), or any successor income tax regulations, and (C) apply the Excess Project Funds as a prepayment of the Borrower’s Loan Repayments (including the premium, if any, associated with any optional or mandatory redemption of I-Bank Bonds) for the defeased I-Bank Bonds. The
aggregate amount of I-Bank Bonds so defeased shall not be less than the amount of nonqualified bonds allocable to the Borrower under Treasury Regulations §1.142-12.

(b) If, on the date which the Borrower has completed the Project, any amounts remain on deposit in the Borrower’s Project Loan Account, the Borrower must within thirty (30) days following such date provide to the I-Bank and the Department a certificate (i) stating that the Project is complete and (ii) setting forth the remaining costs, if any, of the Project for which a disbursement of Loan will be required.

(c) The Borrower shall pay all costs and expenses of the I-Bank in connection with any prepayment pursuant to the provisions of subsection (a)(ii) of this Section 3.03A, including, without limitation, the fees of Bond Counsel to the I-Bank and any other professional advisors to the I-Bank.

SECTION 3.04. 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 or to any extent whatsoever while any I-Bank Bonds remain outstanding or any Loan Repayments remain unpaid, for any reason, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project or Environmental Infrastructure System, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the I-Bank or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Project, this Loan Agreement or the Bond Indenture, or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might otherwise have against the I-Bank, the Trustee or any other party or parties; provided, however, that payments hereunder shall not constitute a waiver of any such rights. The Borrower shall not be obligated to make any payments required to be made by any other Borrowers under separate Loan Agreements or the Bond Indenture.

The Borrower acknowledges that payment of the I-Bank Bonds by the I-Bank does not constitute payment of the amounts due under this Loan Agreement and the Borrower Bond.

The Borrower acknowledges that payment of the I-Bank Bonds from moneys that were originally received by the Trustee pursuant to Section 5.04(1) of the Bond Indenture from repayments by the Borrowers of loans made to the Borrowers by the State, acting by and through the Department, pursuant to loan agreements dated as of May 1, 2020 by and between the Borrowers and the State, acting by and through the Department, to finance or refinance a portion of the Costs of the Environmental Infrastructure Facilities of the Borrowers, and which moneys were upon such receipt by the Trustee deposited in the I-Bank Bonds Security Account (as defined in the Bond Indenture), does not constitute payment of the amounts due under this Loan Agreement and the Borrower Bond.
SECTION 3.05. Loan Agreement to Survive Bond Indenture and I-Bank Bonds.
The Borrower acknowledges that its duties, covenants, obligations and agreements hereunder shall survive the discharge of the Bond Indenture applicable to the I-Bank Bonds and shall survive the payment of the principal and redemption premium, if any, of and the interest on the I-Bank Bonds until the Borrower can take no action or fail to take any action that could adversely affect the exclusion from gross income of the interest on the I-Bank Bonds for purposes of federal income taxation, at which time such duties, covenants, obligations and agreements hereunder shall, except for those set forth in Sections 3.06(a) and (b) hereof, terminate.

SECTION 3.06. Disclaimer of Warranties and Indemnification.

(a) The Borrower acknowledges and agrees that (i) neither the I-Bank nor the Trustee makes any warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Environmental Infrastructure System or the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the I-Bank or the Trustee or their respective agents be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Loan Agreement or the Project or the existence, furnishing, functioning or use of the Environmental Infrastructure System or the Project or any item or products or services provided for in this Loan Agreement; and (iii) to the fullest extent permitted by law, the Borrower shall indemnify and hold the I-Bank and the Trustee harmless against, and the Borrower shall pay any and all, liability, loss, cost, damage, claim, judgment or expense of any and all kinds or nature and however arising and imposed by law, which the I-Bank and the Trustee may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Borrower, the Borrower’s ownership of the Environmental Infrastructure System or the Project, or the acquisition, construction or installation of the Project.

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

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

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

The Borrower shall provide the I-Bank with a copy of each of any such original, supplemental, amendatory or reissued certificates of insurance (or other similar documents evidencing the insurance coverage) required pursuant to this Section 3.06(d).

SECTION 3.07. Option to Prepay Loan Repayments. The Borrower may prepay the I-Bank Bond Loan Repayments, in whole or in part (but if in part, in the amount of $100,000 or any integral multiple thereof), upon prior written notice to the I-Bank and the Trustee not less than ninety (90) days in addition to the number of days’ advance notice to the Trustee required for any optional redemption of the I-Bank Bonds, and upon payment by the Borrower to the Trustee of amounts that, together with investment earnings thereon, will be sufficient to pay the principal amount of the I-Bank Bond Loan Repayments to be prepaid plus the Interest Portion described in clause (ii) of the definition thereof on any such date of redemption; provided, however, that, with respect to any prepayment other than those required by Section 3.03A hereof, any such full or partial prepayment may only be made (i) if the Borrower is not then in arrears on its Fund Loan, (ii) if the Borrower is contemporaneously making a full or partial prepayment of the Fund Loan such that, after the prepayment of the Loan and the Fund Loan, the I-Bank, in its sole discretion, determines that the interests of the owners of the I-Bank Bonds are not adversely affected by such prepayments, (iii) upon the prior written approval of the I-Bank, and (iv) provided that the Borrower shall agree to pay all costs and expenses of the I-Bank in connection with such prepayment, including, without limitation, the fees of Bond Counsel to the I-Bank and any other professional advisors to the I-Bank. In addition, if at the time of such prepayment the I-Bank Bonds may only be redeemed at the option of the I-Bank upon payment of a premium, the Borrower shall add to its prepayment of I-Bank Bond Loan Repayments an amount, as determined by the I-Bank, equal to such premium allocable to the I-Bank Bonds to be redeemed as a result of the Borrower’s prepayment. Prepayments shall be applied first to the Interest Portion that accrues on the portion of the Loan to be prepaid until such prepayment date as described in clause (ii) of the definition thereof and then to principal payments (including premium, if any) on the Loan in inverse order of their maturity.
SECTION 3.08. Priority of Loan and Fund Loan.

(a) The Borrower hereby acknowledges and agrees that, to the extent permitted by law, any repayments then due and payable on the Loan pursuant to this Loan Agreement and paid by the Borrower and any repayments then due and payable on the Fund Loan pursuant to the Fund Loan Agreement and paid by the Borrower shall be applied by the Trustee, first, to the payment obligations of the Borrower with respect to the Loan and, second, to the payment obligations of the Borrower with respect to the Fund Loan, all in a manner more specifically identified in subsection (b) hereof. The Borrower agrees not to interfere with any such action by the Trustee with respect to the application of repayments as set forth herein.

(b) The Borrower hereby further acknowledges and agrees that, in the event the Borrower fails or is unable to pay promptly to the I-Bank in full any I-Bank Bond Loan Repayments pursuant to this Loan Agreement when due, then any (i) Administrative Fee paid hereunder, (ii) late charges paid hereunder, and (iii) loan repayments paid by the Borrower on its Fund Loan pursuant to its Fund Loan Agreement, any of which payments shall be received by the Trustee during the time of any such I-Bank Bond Loan Repayment deficiency, shall be applied by the Trustee first to satisfy such I-Bank Bond Loan Repayment deficiency as a credit against the obligations of the Borrower to make payments of the Interest Portion under the Loan and the Borrower Bond, second, to the extent available, to make I-Bank Bond Loan Repayments of principal hereunder and payments of principal under the Borrower Bond, third, to the extent available, to pay the Administrative Fee, fourth, to the extent available, to pay any late charges hereunder, fifth, to the extent available, to satisfy the repayment of the Borrower’s Fund Loan pursuant to its Fund Loan Agreement, and finally, to the extent available, to satisfy the repayment of any administrative fee pursuant to its Fund Loan Agreement.

(c) The Borrower hereby further acknowledges and agrees that any loan repayments paid by the Borrower on its Fund Loan pursuant to its Fund Loan Agreement shall be applied according to the provisions of the Master Program Trust Agreement.

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

ASSIGNMENT OF LOAN AGREEMENT AND BORROWER BOND

SECTION 4.01. Assignment and Transfer by I-Bank.

(a) The Borrower hereby expressly acknowledges that, other than the provisions of Section 2.02(d)(ii) hereof, the I-Bank’s right, title and interest in, to and under this Loan Agreement and the Borrower Bond have been assigned to the Trustee as security for the I-Bank Bonds as provided in the Bond Indenture, and that if any Event of Default shall occur, the Trustee, pursuant to the Bond Indenture, shall be entitled to act hereunder in the place and stead of the I-Bank. The Borrower hereby acknowledges the requirements of the Bond Indenture applicable to the I-Bank Bonds and consents to such assignment and appointment. This Loan Agreement and the Borrower Bond, including, without limitation, the right to receive payments required to be made by the Borrower hereunder and to compel or otherwise enforce observance and performance by the Borrower of its other duties, covenants, obligations and agreements hereunder, may be further transferred, assigned and reassigned in whole or in part to one or more assignees or subassignees by the Trustee at any time subsequent to their execution without the necessity of obtaining the consent of, but after giving prior written notice to, the Borrower.

The I-Bank shall retain the right to compel or otherwise enforce observance and performance by the Borrower of its duties, covenants, obligations and agreements under Section 2.02(d)(ii) hereof; provided, however, that in no event shall the I-Bank have the right to accelerate the Borrower Bond in connection with the enforcement of Section 2.02(d)(ii) hereof.

(b) The Borrower hereby approves and consents to any assignment or transfer of this Loan Agreement and the Borrower Bond that the I-Bank deems to be necessary in connection with any refunding of the I-Bank Bonds or the issuance of additional bonds under the Indenture or otherwise, all in connection with the pooled loan program of the I-Bank.

SECTION 4.02. Assignment by Borrower. Neither this Loan Agreement nor the Borrower Bond may be assigned by the Borrower for any reason, unless the following conditions shall be satisfied: (i) the I-Bank and the Trustee shall have approved said assignment in writing; (ii) the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Borrower’s duties, covenants, obligations and agreements under this Loan Agreement and, to the extent permitted under applicable law, the Borrower Bond; (iii) immediately after such assignment, the assignee shall not be in default in the observance or performance of any duties, covenants, obligations or agreements of the Borrower under this Loan Agreement or the Borrower Bond; and (iv) the I-Bank shall have received an opinion of Bond Counsel to the effect that such assignment will not adversely affect the security of the holders of the I-Bank Bonds or the exclusion of the interest on the I-Bank Bonds from gross income for purposes of federal income taxation under Section 103(a) of the Code.
ARTICLE V
EVENTS OF DEFAULT AND REMEDIES

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

(a) failure by the Borrower to pay, or cause to be paid, any I-Bank Bond Loan Repayment required to be paid hereunder when due;

(b) failure by the Borrower to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any bonds, notes or other obligations of the Borrower issued under the Borrower Bond Resolution (other than the Loan and the Borrower Bond) or otherwise secured by all or a portion of the property pledged under the Borrower Bond Resolution, after giving effect to the applicable grace period;

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

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

(e) a petition is filed by or against the Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, and/or any proceeding with respect to such petition and/or pursuant to any such law shall occur or be pending (including, without limitation, the operation and administration of the Borrower pursuant to any plan of reorganization approved and implemented under any such law), unless in the case of any such petition filed against the Borrower or any such proceeding such petition and such proceeding shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal or the further jurisdiction of any court; or the Borrower shall become insolvent or bankrupt or shall make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee 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;
(f) the Borrower shall generally fail to pay its debts as such debts become due;

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

(h) the occurrence of an “Event of Default” pursuant to, and as defined in, any Construction Financing Program Loan that may be outstanding.

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

SECTION 5.03. Remedies on Default. Whenever an Event of Default referred to in Section 5.01 hereof shall have occurred and be continuing, the Borrower acknowledges the rights of the Trustee to direct any and all remedies in accordance with the terms of the Bond Indenture, and the Borrower also acknowledges that the I-Bank shall have the right to take, or to direct the Trustee to take, any action permitted or required pursuant to the Bond Indenture and to take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder.

In addition, if an Event of Default referred to in Section 5.01(a) hereof shall have occurred and be continuing, the I-Bank shall, to the extent allowed by applicable law and to the extent and in the manner set forth in the Bond Indenture, have the right to declare, or to direct the Trustee to declare, all Loan Repayments and all other amounts due hereunder (including, without limitation, payments under the Borrower Bond) together with the prepayment premium, if any, calculated pursuant to Section 3.07 hereof to be immediately due and payable, and upon notice to the Borrower the same shall become due and payable without further notice or demand.

SECTION 5.04. Attorneys’ Fees and Other Expenses. The Borrower shall on demand pay to the I-Bank or the Trustee the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred by either of them in the collection of I-Bank Bond Loan Repayments or any other sum due hereunder or in the enforcement of the observation or performance of any other duties, covenants, obligations or agreements of the Borrower upon an Event of Default.

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

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

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

MISCELLANEOUS

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

(a) I-Bank:

   New Jersey Infrastructure Bank
   3131 Princeton Pike
   Building 4, Suite 216
   Lawrenceville, New Jersey 08648-2201
   Attention: Executive Director

(b) Trustee:

   Zions Bancorporation, National Association d/b/a Zions Bank
   401 Liberty Avenue, Suite 1729
   Pittsburgh, Pennsylvania 15222
   Attention: Corporate Trust Department

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

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

SECTION 6.03. Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

SECTION 6.04. Amendments, Supplements and Modifications.

(a) Except as otherwise provided in this Section 6.04, this Loan Agreement may not be amended, supplemented or modified without the prior written consent of the I-Bank and the Borrower and without the satisfaction of all conditions set forth in Section 11.12 of the Bond Indenture. Notwithstanding the conditions set forth in Section 11.12 of the Bond Indenture, (i) Section 2.02(q) hereof may be amended, supplemented or modified upon the written consent of the I-Bank and the Borrower and without the consent of the Trustee or any holders of the I-Bank Bonds, and (ii) Exhibit H hereto may be amended, supplemented or modified prior to the execution and delivery thereof as the I-Bank, in its sole discretion, shall determine to be necessary, desirable or convenient for the purpose of satisfying Rule 15c2-12 and the purpose and intent thereof as Rule 15c2-12, its purpose and intent may hereafter be interpreted from time to time by the SEC or
any court of competent jurisdiction, and such amendment, supplement or modification shall not require the consent of the Borrower, the Trustee or any holders of the I-Bank Bonds.

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

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

SECTION 6.07. Consents and Approvals. Whenever the written consent or approval of the I-Bank or an Authorized Officer of the I-Bank, as the case may be, shall be required pursuant to the provisions of this Loan Agreement, such consent or approval may only be given by the I-Bank or an Authorized Officer of the I-Bank, as the case may be, (i) unless otherwise provided by law or by the rules, regulations or resolutions of the I-Bank, or (ii) unless expressly delegated to the Trustee, and (iii) except as otherwise provided in Section 6.09 hereof. Further, whenever the written consent or approval of the I-Bank or an Authorized Officer of the I-Bank, as the case may be, shall be required pursuant to the provisions of this Loan Agreement, such approval or consent of the I-Bank pursuant to the provisions hereof may be either granted or withheld by the I-Bank in its sole and absolute discretion.

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

SECTION 6.09. Benefit of Loan Agreement; Compliance with Bond Indenture. This Loan Agreement is executed, among other reasons, to induce the purchase of the I-Bank Bonds. Accordingly, all duties, covenants, obligations and agreements of the Borrower herein contained are hereby declared to be for the benefit of and are enforceable by the I-Bank, the holders of the I-Bank Bonds and the Trustee. The Borrower covenants and agrees to observe and comply with, and to enable the I-Bank to observe and comply with, all applicable duties, covenants, obligations and agreements contained in the Bond Indenture.

SECTION 6.10. Further Assurances. The Borrower shall, at the request of the I-Bank, authorize, execute, attest, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Loan Agreement and the Borrower Bond.

SECTION 6.11. No Personal Liability. The Borrower hereby acknowledges and agrees that, pursuant to and consistent with the provisions of Section 13 of the Act (N.J.S.A. 58:11B-13), neither the directors of the I-Bank nor any officers of the I-Bank taking any action with respect to the issuance of the I-Bank Bonds or the making of the Loan pursuant to this Loan Agreement shall be liable personally with respect to the I-Bank Bonds or the Loan or any matters or transactions related thereto.
IN WITNESS WHEREOF, the I-Bank and the Borrower have caused this Loan Agreement to be executed, sealed and delivered as of the date first above written.

NEW JERSEY
INFRASTRUCTURE BANK

[SEAL]

By: _______________________________
    Name
    Title

ATTEST: __________________________

David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]

By: _______________________________
    Authorized Officer
    Title

ATTEST: __________________________

Authorized Officer
Title
SCHEDULE A

Certain Additional Loan Agreement Provisions
EXHIBIT A-1

Description of Project and Environmental Infrastructure System
EXHIBIT A-2

Description of Loan
EXHIBIT B

Basis for Determination of Allowable Project Costs
EXHIBIT C

Reserved
EXHIBIT D

Specimen Borrower Bond
IMPORTANT NOTE: The next three pages set forth the form of the Borrower Bond prepared by the I-Bank’s Bond Counsel for municipal/county Borrowers. Although the I-Bank recognizes that each corporate Borrower has its own bond form as required pursuant to its Borrower Bond Resolution, please incorporate in the bond form the pertinent information from this municipal/county bond form (e.g., amounts payable under the Borrower Bond set forth in the first paragraph, assignment in the second paragraph, disbursement language in the third paragraph, unconditional obligation in the fourth paragraph, optional prepayment provisions in the fifth paragraph and the date of the Borrower Bond). To the extent that you do not have an existing Bond Resolution, the pledge under your Bond Resolution should be drafted to constitute a general obligation pledge of (i) all the gross revenues of the company and (ii) any specific property (e.g. mortgage) or other security pledged for this transaction (e.g. letter of credit).
SEE IMPORTANT NOTE ON PRIOR PAGE

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

This Borrower Bond is issued pursuant to the Loan Agreement dated as of May 1, 2020 by and between the I-Bank and the Borrower (the “Loan Agreement”). This Borrower Bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence and secure the payment obligations of the Borrower set forth in the Loan Agreement. This Borrower Bond has been assigned to Zions Bancorporation, National Association d/b/a Zions Bank, as trustee (the “I-Bank’s Trustee”), under the Indenture of Trust, dated as of May 1, 2020, by and between the I-Bank and the I-Bank’s Trustee, with respect to the I-Bank’s Environmental Infrastructure Bonds, Series 2020[ ]-1 (Green Bonds), as the same may be amended and supplemented in accordance with the terms thereof (the “Bond Indenture”), and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the I-Bank’s Trustee for the account of the I-Bank pursuant to such assignment. Such assignment has been made as security for the payment of the I-Bank Bonds (as defined in the Loan Agreement) issued to finance or refinance the Loan and as otherwise described in the Loan Agreement. This Borrower Bond is subject to further assignment or endorsement in accordance with the terms of the Bond Indenture and the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Borrower Bond.

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

This Borrower Bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Borrower to make the payments required hereunder shall be
absolute and unconditional, without any defense or right of set-off, counterclaim or recoupment by reason of any default by the I-Bank under the Loan Agreement or under any other agreement between the Borrower and the I-Bank or out of any indebtedness or liability at any time owing to the Borrower by the I-Bank or for any other reason.

This Borrower Bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law, this Borrower Bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Borrower Bond to be duly executed, sealed and delivered as of May __, 2020.

[NAME OF BORROWER]

[SEAL]

ATTEST:

By:________________________
New Jersey Infrastructure Bank hereby assigns the foregoing Borrower Bond to Zions Bancorporation, National Association d/b/a Zions Bank (the “Trustee”), as the I-Bank’s Trustee under the Indenture of Trust, dated as of May 1, 2020, by and between the I-Bank and the Trustee, with respect to the I-Bank’s Environmental Infrastructure Bonds, Series 2020[ ]-1 (Green Bonds), as the same may be amended and supplemented in accordance with the terms thereof (the “Bond Indenture”), all as of the date of this Borrower Bond, as security for the I-Bank Bonds issued or to be issued under the Bond Indenture to finance or refinance the Project Fund (as defined in the Bond Indenture).

NEW JERSEY
INFRASTRUCTURE BANK

[SEAL]

ATTEST:

By: __________________________
    Name
    Title

David E. Zimmer
Assistant Secretary
EXHIBIT E

Opinions of Borrower’s Bond Counsel and General Counsel

See Closing Item _____
Ladies and Gentlemen:

We have acted as counsel to [the] [Name of Borrower], a corporation duly organized and validly existing under the laws of the State of New Jersey (the “Borrower”), which has entered into a Loan Agreement (as hereinafter defined) with the New Jersey Infrastructure Bank (the “I-Bank”), and have acted as such in connection with the authorization, execution, attestation and delivery by the Borrower of its Loan Agreement and Borrower Bond (as hereinafter defined) pursuant to the New Jersey Business Corporation Act, P.L. 1968, c. 263, as amended (the “Business Corporation Law”), and a [bond resolution] [indenture] of the Borrower [adopted on] [dated] [DATE] and entitled “[TITLE]” as amended and supplemented, including by a supplemental [resolution] [indenture] [adopted on] [dated] [DATE] and entitled “[TITLE]” such [resolutions] [indentures] shall be collectively referred to herein as the “Resolution”). All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

In so acting, we have examined the Constitution and laws of the State of New Jersey, including, without limitation, the Business Corporation Law, and the certificate of incorporation and by-laws of the Borrower. We have also examined originals, or copies certified or otherwise identified to our satisfaction, of the following:

(a) the Indenture of Trust, dated as of May 1, 2020, by and between the I-Bank and Zions Bancorporation, National Association d/b/a Zions Bank, as the I-Bank’s Trustee, with respect to the I-Bank’s Environmental Infrastructure Bonds, Series 2020[ ]-1 (Green Bonds);

(b) the Loan Agreement dated as of May 1, 2020 (the “Loan Agreement”) by and between the I-Bank and the Borrower;

(c) the proceedings of the board of directors of the Borrower relating to the approval of the Loan Agreement and the execution, attestation and delivery thereof on behalf of the Borrower and the authorization of the undertaking and completion of the Project;
New Jersey Infrastructure Bank
Zions Bancorporation, National Association d/b/a Zions Bank
May __, 2020
Page -2-

(d) the Borrower Bond dated May __, 2020 (the “Borrower Bond”) issued by the Borrower to the I-Bank to evidence and secure the Loan; and

(e) the proceedings (together with the proceedings referred to in clause (c) above and Section 5 below, the “Proceedings”) of the board of directors of the Borrower, including, without limitation, the Resolution, relating to the authorization of the Borrower Bond and the sale, execution, attestation, authentication and delivery thereof to the I-Bank (the Loan Agreement and the Borrower Bond are referred to herein collectively as the “Loan Documents”).

We have also examined and relied upon originals, or copies certified or otherwise authenticated to our satisfaction, of such other records, documents, certificates and other instruments, and have made such investigation of law as in our judgment we have deemed necessary or appropriate, to enable us to render the opinions expressed below.

We are of the opinion that:

1. The Borrower is a corporation duly created and validly existing pursuant to the Constitution and statutes of the State of New Jersey, including the Borrower Enabling Act, with the legal right to carry on the Business Corporation Law, with the legal right to carry on the business of its Environmental Infrastructure System as currently being conducted and as proposed to be conducted.

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

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

4. In accordance with the terms of the Resolution and to the extent provided in the Resolution, the Borrower has unconditionally and irrevocably promised to make the Loan Repayments and pay all other amounts due under the Loan Documents.

5. The proceedings of the Borrower’s board of directors (i) approving the Loan Documents, (ii) authorizing their execution, attestation and delivery on behalf of the Borrower, (iii) with respect to the Borrower Bond only, authorizing its sale by the Borrower to the I-Bank and authorizing its authentication on behalf of the Borrower, (iv) authorizing the Borrower to consummate the transactions contemplated by the Loan Documents, (v) authorizing the Borrower to undertake and complete the Project, [(vi) authorizing the approval of the inclusion in the Official Statement of the Borrower Appendices,] and (vi) [(vii)] authorizing the execution and delivery of all other certificates, agreements, documents and instruments in connection with the execution,
attestation and delivery of the Loan Documents [including, without limitation, the designation of the Borrower Appendices portion of the Preliminary Official Statement, if any, as “deemed final” for the purposes and within the meaning of 17 CFR 240.15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 15c2-12”),] have each been duly and lawfully adopted and authorized in accordance with applicable law and applicable resolutions of the Borrower, including, without limitation, the Resolution, the other Proceedings, the Borrower Enabling Act and the Local Authorities Fiscal Control Law, which Proceedings constitute all of the actions necessary to be taken by the Borrower to authorize its actions contemplated by clauses (i) through (vi) [(vii)] above and which Proceedings, including, without limitation, the Resolution, were duly adopted and published, where necessary, in accordance with applicable New Jersey law at a meeting or meetings duly called pursuant to necessary public notice and held in accordance with applicable New Jersey law and at which quorums were present and acting throughout.

6. The Loan Documents have been duly authorized, executed, attested and delivered by the Authorized Officers of the Borrower, the Borrower Bond has been duly sold by the Borrower to the I-Bank and, if applicable, the Borrower Bond has been duly authenticated by the trustee or paying agent under the Resolution; and assuming in the case of the Loan Agreement that the I-Bank has the requisite power and authority to authorize, execute, attest and deliver, and has duly authorized, executed, attested and delivered, the Loan Agreement, the Loan Documents constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors’ rights generally. No opinion is rendered as to the availability of any particular remedy.

7. The authorization, execution, attestation and delivery of the Loan Documents by the Borrower and, in the case of the Borrower Bond only, the authentication thereof by the trustee or paying agent under the Resolution and the sale thereof to the I-Bank, the observation and performance by the Borrower of its duties, covenants, obligations and agreements thereunder, the consummation of the transactions contemplated therein, and the undertaking and completion of the Project do not and will not (i) result in any breach of any of the terms, conditions or provisions of, or (ii) constitute a default under, any existing resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations is subject.

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

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

10. The Borrower has no bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the revenues of the Borrower.

11. To the best of our knowledge, upon due inquiry, (i) all representations made by the Borrower contained within subsections (f) and (h) of Section 2.02 and, if applicable, Exhibit F of the Loan Agreement are true, accurate and complete, and (ii) all expectations contained therein are reasonable, and we know of no reason why the Borrower would be unable to comply on a continuing basis with the covenants contained within subsections (f) and (h) of Section 2.02 and, if applicable, Exhibit F of the Loan Agreement.

12. Assuming that (i) the Borrower complies on a continuing basis with the covenants contained in subsections (f) and (h) of Section 2.02 and, if applicable, Exhibit F of the Loan Agreement, (ii) interest on the I-Bank Bonds is otherwise excluded from gross income of the holders thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and (iii) the proceeds of the I-Bank Bonds loaned to the Borrower represent all of the proceeds of the I-Bank Bonds, the application of the proceeds of the Loan for their intended purposes will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the I-Bank Bonds.

We hereby authorize McCarter & English, LLP, acting as bond counsel to the I-Bank, and the Attorney General of the State of New Jersey, acting as general counsel to the I-Bank, to rely on this opinion as if we had addressed this opinion to them in addition to you.

Very truly yours,
EXHIBIT F

Additional Covenants and Requirements
EXHIBIT G

General Administrative Requirements for the New Jersey Water Bank
EXHIBIT H

Form of Continuing Disclosure Agreement
LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY INFRASTRUCTURE BANK

AND

[NAMES OF BORROWER]

DATED AS OF MAY 1, 2020
IN WITNESS WHEREOF, the I-Bank and the Borrower have caused this Loan Agreement to be executed, sealed and delivered as of the date first above written.

NEW JERSEY
INFRASTRUCTURE BANK

[SEAL]

By: _____________________________
Name
Title

ATTEST:

David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]

By: _____________________________
Authorized Officer
Title

ATTEST:

Authorized Officer
Title
SCHEDULE A

Certain Additional Loan Agreement Provisions

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

Additional Definitions:

“Borrower” means _________________, a corporation duly created and validly existing pursuant to the laws of the State of New Jersey.

“Bond Indenture” means the Indenture of Trust, dated as of May 1, 2020, by and between the I-Bank and the Trustee (as defined in the Loan Agreement), with respect to the I-Bank’s Environmental Infrastructure Bonds, Series 2020[ ]-1 (Green Bonds).

“Borrower Bond Resolution” means the [resolution] [indenture] of the Borrower entitled “[______________]”, [adopted by the Borrower on] [dated] [_______], as amended and supplemented from time to time, in particular by a supplemental [resolution] [indenture] detailing the terms of the Borrower Bond [adopted by the Borrower on] [dated] [_______] and entitled “[______________]”, pursuant to which the Borrower Bond has been issued.

“Interest Payment Dates” means February 1 and August 1 of each year, commencing on _______ 1, 20__.

“Loan” means the loan made by the I-Bank to the Borrower to finance or refinance a portion of the Costs of the Project pursuant to this Loan Agreement. For all purposes of this Loan Agreement, the amount of the Loan at any time shall be the initial aggregate principal amount of the Borrower Bond (which amount equals the amount actually deposited in the Project Loan Account at the Loan Closing plus the Borrower's allocable share of [(i)] certain costs of issuance, and underwriter's discount for all I-Bank Bonds issued to finance the Loan[,] [and (ii) capitalized interest during the Project construction period]), less any amount of such principal amount that has been repaid by the Borrower under this Loan Agreement and less any adjustment made pursuant to the provisions of the Bond Indenture, including, without limitation, Section 5.02(4) thereof, N.J.A.C. 7:22-4.26 and the appropriations act of the State Legislature authorizing the expenditure of I-Bank Bond proceeds to finance a portion of the Costs of the Project.

“Principal Payment Dates” means August 1 of each year, commencing on August 1, 20__.

“Project Completion Date” means [March 1, 2021] [in the case of a “split project”: ________].

“Project Loan Account Disbursement Deadline” means [June 1, 2021] [in the case of a “split project”: ________].
SECTION 2.02(e)

Disposition of Environmental Infrastructure System. The Borrower shall not permit the disposition of all or substantially all of its Environmental Infrastructure System, directly or indirectly, including, without limitation, by means of sale, lease, abandonment, sale of stock, statutory merger or otherwise (collectively, a “Disposition”), except on ninety (90) days' prior written notice to the I-Bank, and, in any event, shall not permit a Disposition unless the following conditions are met: (i) the Borrower shall, in accordance with Section 4.02 hereof, assign this Loan Agreement and the Borrower Bond and its rights and interests hereunder and thereunder to the purchaser or lessee of the Environmental Infrastructure System, and such purchaser or lessee shall assume all duties, covenants, obligations and agreements of the Borrower under this Loan Agreement and the Borrower Bond; and (ii) the I-Bank shall by appropriate action determine, in its sole discretion, that such sale, lease, abandonment or other disposition will not adversely affect (A) the I-Bank's ability to meet its duties, covenants, obligations and agreements under the Bond Indenture, (B) the value of this Loan Agreement or the Borrower Bond as security for the payment of I-Bank Bonds and the interest thereon, or (C) the excludability from gross income for federal income tax purposes of the interest on I-Bank Bonds then outstanding or that could be issued in the future.

SECTION 2.02(f)(x)

[NO RESERVE OR REPLACEMENT FUND]

The Borrower will not have a reserve or replacement fund (within the meaning of Section 148(d)(1) of the Code) allocable to the Borrower Bond evidencing the Loan.

OR

[RESERVE OR REPLACEMENT FUND FUNDED BY BONDS OF THE BORROWER]

The Borrower has a reserve or replacement fund (within the meaning of Section 148(d)(1) of the Code) a portion of which is allocable to the Loan. To the extent that amounts held in the Borrower’s reserve or replacement fund are allocable, under Treasury Regulations §1.148-6, to the I-Bank Bonds such amounts shall be invested by the Borrower throughout the term of the Loan at a yield not in excess of the yield on the I-Bank Bonds, unless the Borrower receives prior written approval of the I-Bank.
EXHIBIT F

Additional Covenants and Requirements

[None.]

[Insert current refunding covenants, if any.]

[For “split projects”]:

**Construction Financing Program Loan:**

[For Private Use Borrowers Only]:

**Construction Loan:**

(a) A portion of the proceeds of the Loan received by the Borrower in the amount of $_______ will be used to pay a portion of the outstanding principal amount of a short-term loan made by the I-Bank to the Borrower on [short-term loan closing date], in the original aggregate principal amount of $_______ (the “Construction Loan”), which Construction Loan currently is outstanding in the aggregate principal amount of $_______.

(b) Proceeds of the Construction Loan were used to finance Costs of the Project. No portion of the proceeds received from the Construction Loan or the Loan have been or will be used to pay Costs of the Project which were paid more than 60 days prior to _______________.

[For Private Use Borrowers Only]:

**Qualified Private Activity Bonds:**

(a) No portion of the proceeds of the I-Bank Bonds loaned to the Local Unit will be used to finance issuance costs (within the meaning of Section 147(g) of the Code).

(b) Assuming for this purpose that (i) the I-Bank has used two percent (2%) of the proceeds of the I-Bank Bonds to finance issuance costs (within the meaning of Section 147(g) of the Code), (ii) the proceeds of the I-Bank Bonds loaned to the Local Unit represent all of the remaining proceeds of the I-Bank Bonds, (iii) the I-Bank Bonds are issued as qualified bonds (within the meaning of Section 141(e) of the Code) that meet the requirements of Section [142(a)(4) [142(a)(5)] of the Code, and (iv) interest on the I-Bank Bonds is otherwise excluded from the gross income of the holders thereof for federal income tax purposes under the Code, the Local Unit shall not, directly or indirectly, use or permit the use of any proceeds of the I-Bank Bonds in a manner that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the I-Bank Bonds.]
[For Borrowers With an Investment Grade Rating Only]:

**Compliance with Credit Policy:**

The Borrower hereby covenants and agrees to comply with the provisions set forth in that certain “Credit Policy” of the I-Bank, adopted on January 10, 2013 and thereafter amended from time to time (the “Credit Policy”), that establish the obligation on the part of the Borrower to fund an annual Risk Premium (as defined therein) as and when required pursuant to the provisions of Section VI(2)(B)(ii)(i)(b) of the Credit Policy. The Borrower hereby acknowledges that a failure to comply with such terms and provisions of the Credit Policy with respect to the funding of the Risk Premium shall constitute an Event of Default hereunder.

[For Projects financed with “Sandy” principal forgiveness]:

**No FEMA Reimbursement:**

The Borrower represents, warrants and agrees that no amounts provided to the Borrower by the United States Federal Emergency Management Agency shall be applied to reimburse the Borrower for any Costs of the Project.
ESCROW AGREEMENT

by and among

NEW JERSEY INFRASTRUCTURE BANK,

THE STATE OF NEW JERSEY,
acting by and through the New Jersey Department of Environmental Protection,

[BORROWER]

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION d/b/a ZIONS BANK,
as Escrow Agent

DATED: [INSERT DATE OF ESCROW CLOSING]
## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Appointment of Escrow Agent</td>
<td>2</td>
</tr>
<tr>
<td>2. Escrowed Documents</td>
<td>2</td>
</tr>
<tr>
<td>3. Release of Escrowed Documents</td>
<td>4</td>
</tr>
<tr>
<td>4. Cancellation of Escrowed Documents</td>
<td>6</td>
</tr>
<tr>
<td>5. Modifications to Loan Agreements</td>
<td>6</td>
</tr>
<tr>
<td>6. Liability of Escrow Agent</td>
<td>7</td>
</tr>
<tr>
<td>7. Acknowledgments and Liability of Borrower</td>
<td>7</td>
</tr>
<tr>
<td>8. Escrow Agent’s Compensation</td>
<td>8</td>
</tr>
<tr>
<td>9. Miscellaneous I-Bank and State Requirements</td>
<td>8</td>
</tr>
<tr>
<td>10. Useful Life of Project Financed with I-Bank Loan</td>
<td>10</td>
</tr>
<tr>
<td>11. Defaults With Respect to Debt Obligations of Borrower</td>
<td>10</td>
</tr>
<tr>
<td>12. Amendments, Waiver and Discharge</td>
<td>10</td>
</tr>
<tr>
<td>13. Binding Effect</td>
<td>10</td>
</tr>
<tr>
<td>14. Governing Law</td>
<td>10</td>
</tr>
<tr>
<td>15. Captions</td>
<td>10</td>
</tr>
<tr>
<td>16. Separability</td>
<td>10</td>
</tr>
<tr>
<td>17. Notices</td>
<td>11</td>
</tr>
<tr>
<td>18. Certain Additional Provisions</td>
<td>11</td>
</tr>
<tr>
<td>19. Counterparts</td>
<td>12</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Schedule/Exhibit</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCHEDULE A</td>
<td>Certain Additional Escrow Agreement Provisions</td>
<td>S-1</td>
</tr>
<tr>
<td>EXHIBIT A</td>
<td>Commitment Letters of Borrower’s Bond Counsel and General Counsel</td>
<td>A-1</td>
</tr>
<tr>
<td>EXHIBIT B</td>
<td>Certificate as to Available Funds</td>
<td>B-1</td>
</tr>
<tr>
<td>EXHIBIT C-1</td>
<td>[Reserved]</td>
<td>C-1</td>
</tr>
<tr>
<td>EXHIBIT C-2</td>
<td>[Reserved]</td>
<td>C-2</td>
</tr>
<tr>
<td>EXHIBIT C-3</td>
<td>[Reserved]</td>
<td>C-3</td>
</tr>
<tr>
<td>EXHIBIT D</td>
<td>Letter of Consulting Engineer</td>
<td>D-1</td>
</tr>
<tr>
<td>EXHIBIT E</td>
<td>[Reserved]</td>
<td>E-1</td>
</tr>
<tr>
<td>EXHIBIT F</td>
<td>[Reserved]</td>
<td>F-1</td>
</tr>
<tr>
<td>EXHIBIT G-1</td>
<td>Certificate Regarding Reimbursements</td>
<td>G-1</td>
</tr>
<tr>
<td>EXHIBIT G-2</td>
<td>Certificate Regarding No Reimbursements</td>
<td>G-2</td>
</tr>
</tbody>
</table>
ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “Escrow Agreement”), made and entered into on the Escrow Closing Date (as hereinafter defined), by and among the NEW JERSEY INFRASTRUCTURE BANK, a public body corporate and politic with corporate succession duly created and validly existing under the laws of the State of New Jersey (the “I-Bank”), THE STATE OF NEW JERSEY, acting by and through the New Jersey Department of Environmental Protection (the “State”), the BORROWER (as hereinafter defined in Schedule A hereto) and Zions Bancorporation, National Association d/b/a Zions Bank (“Zions Bank”), a national banking association duly organized and validly existing under the laws of the United States of America, as ESCROW AGENT (the “Escrow Agent”);

WITNESSETH THAT:

WHEREAS, the Borrower is undertaking to obtain loans from both the I-Bank and the State (the “I-Bank Loan” and “Fund Loan,” respectively) pursuant to the “State Fiscal Year 2020 New Jersey Water Bank” (the “Program”); and

WHEREAS, as one of the preconditions to the making of such I-Bank Loan and Fund Loan, the I-Bank and the State are requiring that the Borrower execute and attest the loan agreements required in connection with such loans, and produce validly executed and attested bonds evidencing and securing such loans, prior to the I-Bank undertaking to publish the notice of sale for the bonds it intends to issue to fund the I-Bank Loan (the “I-Bank Bonds”).

NOW, THEREFORE, for and in consideration of the mutual duties, covenants, obligations and agreements set forth herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:
1. Appointment of Escrow Agent

For the purposes and subject to the terms and conditions set forth in this Escrow Agreement, the I-Bank, the State and the Borrower hereby agree to the appointment of Zions Bank, as Escrow Agent, and the Escrow Agent hereby accepts such appointment. The Escrow Agent agrees to act as agent for the I-Bank, the State and the Borrower, and shall possess and administer the Escrowed Documents (as defined in Section 2 hereof) in accordance with the instructions set forth in this Escrow Agreement. Certain capitalized terms used herein shall have the meanings ascribed to such terms in Schedule A attached hereto and made a part hereof. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in both the I-Bank Loan Agreement and the Fund Loan Agreement (as hereinafter defined).

2. Escrowed Documents

On the date hereof, the I-Bank, the State and the Borrower have jointly delivered the following documents (collectively, the “Escrowed Documents”) to the Escrow Agent in the respective forms described below:

(a) a fully authorized, executed and attested loan agreement with respect to the Fund Loan by and between the State and the Borrower, which will be dated as of May 1, 2020 (the “Fund Loan Agreement”), which Fund Loan Agreement is true, accurate and complete in all respects, except for (1) Exhibit A-2 thereto with respect to the principal amount of, and the semiannual principal repayment schedule for, the Fund Loan to be made pursuant to the Fund Loan Agreement, and (2) to the extent the Borrower requests and the State and the I-Bank consent to an adjustment to the principal amount of the Fund Loan, due to an adjustment to the Costs of the Project, as requested by the Borrower and as approved by the State and the I-Bank, then also except for the principal amount of the Fund Loan and the corresponding modifications to Exhibits B and C thereto (which Exhibit A-2 and, if applicable, which Fund Loan principal amount and modified Exhibits B and C, shall be provided to the Escrow Agent by the I-Bank pursuant to Section 3 hereof);

(b) a fully authorized, executed and attested bond of the Borrower to the State (the “Fund Loan Bond”), which will be dated the date of the I-Bank Loan Bond (as hereinafter defined), evidencing and securing the Fund Loan to be made by the State to the Borrower pursuant to the Fund Loan Agreement, which Fund Loan Bond has been authorized, executed and attested by the Borrower (but not delivered) pursuant to the Borrower’s Bond Resolution, and which Fund Loan Bond is true, accurate and complete in all respects except as to its date and, if applicable, in accordance with Section 2(a)(2) hereof, except as to its principal amount (which date and, if applicable, which Fund Loan principal amount, shall be provided to the Escrow Agent by the I-Bank and placed on the Fund Loan Bond in coordination with the Borrower pursuant to Section 3 hereof);

(c) a fully authorized, executed and attested loan agreement with respect to the I-Bank Loan by and between the I-Bank and the Borrower, which will be dated as of May 1, 2020 (the “I-Bank Loan Agreement”), which I-Bank Loan Agreement is true, accurate and complete in all respects, except for Exhibit A-2 thereto with respect to the principal amount of, and the I-Bank Bond Loan Repayments (as defined in the I-Bank Loan Agreement).
Agreement) schedule for, the I-Bank Loan to be made pursuant to said I-Bank Loan Agreement and, if applicable in accordance with Section 2(a)(2) hereof, except for the principal amount of the I-Bank Loan and the corresponding modifications to Exhibits B and C thereto (which Exhibit A-2 (including the I-Bank Loan principal amount) and Exhibits B and C thereto, if applicable, shall be provided to the Escrow Agent by the I-Bank pursuant to Section 3 hereof);

(d) a fully authorized, executed and attested bond of the Borrower to the I-Bank (the “I-Bank Loan Bond”), which will be dated the dated date of the I-Bank Bonds, evidencing and securing the I-Bank Loan to be made by the I-Bank to the Borrower pursuant to the I-Bank Loan Agreement, which I-Bank Loan Bond has been so authorized, executed and attested by the Borrower (but not delivered) pursuant to the Borrower’s Bond Resolution, and which I-Bank Loan Bond is true, accurate and complete in all respects except as to its date, principal amount and I-Bank Bond Loan Repayments schedule (which date, amount and schedule shall be provided to the Escrow Agent by the I-Bank and placed on the I-Bank Loan Bond in coordination with the Borrower pursuant to Section 3 hereof);

(e) an opinion of each of the Borrower’s bond and general counsel with respect to the Fund Loan and an opinion of each of the Borrower’s bond and general counsel with respect to the I-Bank Loan, which opinions shall each be in substantially similar form to the opinions set forth in Exhibit A hereto;

(f) each of the following forms, complete and fully executed as required by the respective terms thereof: (1) a “Federal Funds Accountability and Transparency Act Form” in the form required and provided by the New Jersey Department of Environmental Protection (the “Department”); (2) a “Clean Water Benefits Reporting Form” or a “DWSRF Project and Benefits Reporting Form”, as applicable, each in the form required and provided by the Department; (3) a “Certification Regarding Asset Management Plan” or a “Certification Regarding Fiscal Sustainability Plan”, as applicable, in the form included in Exhibit G to each of the I-Bank Loan Agreement and Fund Loan Agreement; and (4) Internal Revenue Service Form W-9; and

(g) the certificate of the Borrower’s consulting engineer (in the form attached as Exhibit D hereto), stating that the useful life of the Project to be financed with the I-Bank Loan exceeds the maturity date of the I-Bank Loan Bond to the I-Bank.

The Escrow Agent shall hold the Escrowed Documents for release and delivery, or cancellation, pursuant to the terms and conditions of this Escrow Agreement. Notwithstanding any provision of this Escrow Agreement to the contrary, the parties hereto hereby acknowledge and agree that bond counsel to the I-Bank may provide logistical assistance to the Escrow Agent with respect to the retention and the management of some or all of the Escrowed Documents until the release and delivery thereof by the Escrow Agent, or cancellation, pursuant to the terms and conditions of this Escrow Agreement.
3. Release of Escrowed Documents

On May ____, 2020 at 9:30 a.m. at the office of bond counsel to the I-Bank, or such other date or time that may be agreed upon by the I-Bank, the State and the Borrower and of which the Escrow Agent is notified in writing by the I-Bank (the “Loan Closing”), the Escrow Agent shall (1) release the Escrowed Documents from escrow and (2) simultaneously with the closing of the I-Bank Bonds, deliver (A) to the I-Bank, the I-Bank Loan Agreement and the I-Bank Loan Bond, and (B) to the State, the Fund Loan Agreement and the Fund Loan Bond, such release and delivery being subject only to receipt by the Escrow Agent of all of the following items as conditions precedent thereto:

(a) Exhibit A-2 to each of the I-Bank Loan Agreement (which shall include the insertion of the principal amount of the I-Bank Loan) and the Fund Loan Agreement (which shall include the insertion of the principal amount of the Fund Loan), each completed in its entirety and, if applicable in accordance with Section 2(a)(2) hereof, the revised I-Bank Loan and Fund Loan principal amounts and the corresponding changes to Exhibits B and C thereto;

(b) a written certification of the I-Bank setting forth (1) the date, principal amount and I-Bank Bond Loan Repayments schedule for the I-Bank Loan Bond necessary to complete in its entirety the I-Bank Loan Bond, which date, amount and schedule shall be placed upon the I-Bank Loan Bond in coordination with the Borrower while the I-Bank Loan Bond is held in escrow by the Escrow Agent, (2) the date and, if applicable in accordance with Section 2(a)(2) hereof, the principal amount for the Fund Loan Bond necessary to complete in its entirety the Fund Loan Bond, which date and, if applicable, amount shall be placed upon the Fund Loan Bond in coordination with the Borrower while the Fund Loan Bond is held in escrow by the Escrow Agent, and (3) a determination by the I-Bank as to which series of I-Bank Bonds will finance the I-Bank Loan;

(c) a written certification of the I-Bank acknowledging receipt by the I-Bank of the following:

(i) the opinions of bond and general counsels to the Borrower and, if applicable, the certificates of the Borrower with respect to liability insurance coverage, as required under Section 3.06(d) of the I-Bank Loan Agreement and Section 3.06(c) of the Fund Loan Agreement;

(ii) copies of those ordinances and resolutions finally adopted by the governing body of the Borrower and requested by the I-Bank and/or the State, including, without limitation, (A) the resolution of the Borrower authorizing the execution, attestation and delivery of the I-Bank Loan Agreement, the Fund Loan Agreement and this Escrow Agreement, (B) the Borrower’s Bond Resolution, as amended and supplemented as of the date of the Loan Closing, authorizing the execution, attestation, sale and delivery of the I-Bank Loan Bond to the I-Bank and the Fund Loan Bond to the State, (C) the resolution of the Borrower, if any, confirming the details of the sale of the I-Bank Loan Bond to the I-Bank and the Fund Loan Bond to the State, (D) the resolution of the Borrower, if any, declaring its official intent to reimburse expenditures for the Costs of the Project from the
proceeds of the I-Bank Bonds, each of said ordinances and resolutions of the Borrower being certified by an Authorized Officer of the Borrower as of the date of the Loan Closing, (E) the approval by the Division of Local Government Services in the New Jersey Department of Community Affairs (the “DLGS”) with respect to the issuance by the Borrower of the I-Bank Loan Bond to the I-Bank and the Fund Loan Bond to the State and setting forth any other approvals required therefor by the DLGS, and (F) any other Proceedings;

(iii) a certificate of the Borrower in the form attached as Exhibit B hereto stating to the satisfaction of the I-Bank that the Borrower will be able to meet the available funds requirement under Section 3.02(b) of the I-Bank Loan Agreement prior to the first anticipated disbursement of proceeds of the I-Bank Loan, as set forth in Exhibit C to the I-Bank Loan Agreement;

(iv) the I-Bank Loan Bond;

(v) a certificate of the Borrower either (A) in the form attached as Exhibit G-1 hereto stating to the satisfaction of the I-Bank that (i) the Borrower will use a portion of the proceeds of the I-Bank Loan to reimburse the Borrower for expenditures paid by it prior to the Loan Closing for Costs of the Project, and (ii) such reimbursements comply with the various provisions of the Treasury Regulations as defined and set forth therein, or (B) in the form attached as Exhibit G-2 hereto stating to the satisfaction of the I-Bank that no portion of the proceeds of the I-Bank Loan will be used by the Borrower to reimburse the Borrower for expenditures paid by it prior to the Loan Closing for Costs of the Project;

(vi) any additional items identified in Section 3(c)(vi) of Schedule A attached hereto and made part hereof;

(d) a copy of the written certification of the I-Bank to the Borrower that the following actions shall take place simultaneously with the release and delivery of the Escrowed Documents:

(i) the authentication and delivery by Zions Bank, as trustee, of the I-Bank Bonds pursuant to Section 2.03 of the Bond Indenture (as defined in the I-Bank Loan Agreement and sometimes referred to herein as the “I-Bank Bond Indenture”);

(ii) the deposits, as applicable, to the Project Fund, the Debt Service Fund, the Operating Expense Fund, the Rebate Fund and the Debt Service Reserve Fund (as defined in the I-Bank Bond Indenture) as may be required to be made pursuant to Section 2.03 of the I-Bank Bond Indenture;

(e) copies of (1) the authorizations by the New Jersey State Legislature of the expenditure of funds by the I-Bank for the I-Bank Loan, (2) the appropriations by the New Jersey State Legislature of funds in the applicable State Fund (as defined in the Fund Loan Agreement) to the I-Bank for the Debt Service Reserve Fund, if applicable, and to the State for the Fund Loan, (3) the Governor’s approval of (1) and (2) of this subsection (e), (4) the approval of the New Jersey State Legislature, by concurrent resolution, of the “Fiscal Year
2020 Financial Plan” of the I-Bank, as the same may be supplemented from time to time, (5) the award of federal funds under a fully executed State revolving fund capitalization grant agreement between the State and the United States Environmental Protection Agency pursuant to the Water Quality Act of 1987 and the Safe Drinking Water Act of 1996 and the requisite “State Match”, (6) the letters of each of the Governor and the New Jersey State Treasurer, pursuant to N.J.S.A. 58:11B-4(j), approving the adoption of the resolution of the I-Bank authorizing the I-Bank Bond Indenture, (7) the “Certificate of the New Jersey State Treasurer Regarding the Approval of the I-Bank Loan and the Fund Loan” in satisfaction of the requirements of Section 9a of the Act, and (8) such other appropriations, resolutions, authorizations, consents or approvals as may be required in order to undertake and complete the Program; and

(f) a written certification of the I-Bank acknowledging receipt by the State of the Fund Loan Bond.

Failure of the Escrow Agent to so release and deliver any one of the Escrowed Documents after satisfaction of the above-mentioned conditions shall be considered a failure to release and deliver all of the Escrowed Documents.

4. Cancellation of Escrowed Documents

In the event that any of the conditions precedent to the release of the Escrowed Documents set forth in Section 3 hereof shall remain unsatisfied for any reason as of the Loan Closing or if the Escrowed Documents are not released and delivered as of the Loan Closing, the Escrow Agent shall on said date mark the Escrowed Documents “CANCELED”, and shall return (1) the I-Bank Loan Bond and the Fund Loan Bond to the Borrower, (2) the I-Bank Loan Agreement to the I-Bank, and (3) the Fund Loan Agreement to the State. The I-Bank and the State hereby acknowledge that upon receipt of said agreements marked “CANCELED” the obligations of the Borrower thereunder are without effect.

5. Modifications to Loan Agreements

The I-Bank, the State and the Borrower acknowledge that, in connection with (1) the sale, issuance and delivery of the I-Bank Bonds and (2) any Fund Loans funded with the proceeds of any State Bonds (as may be defined in the Fund Loan Agreement) hereafter issued by the State, it may be necessary, subsequent to the date hereof and prior to the Loan Closing, to modify the I-Bank Loan Agreement and the Fund Loan Agreement for the purposes set forth, respectively, in Sections 2.02(o) thereof, including, without limitation, for the purpose of assuring that the interest on the I-Bank Bonds and the State Bonds is not includable in gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. In such event, the I-Bank and, if applicable, the State will make such modifications by amending Exhibit F to the I-Bank Loan Agreement and, if applicable, the Fund Loan Agreement and delivering the amended Exhibit F to the Borrower and the Escrow Agent on or prior to the Loan Closing.

Any modifications to the I-Bank Loan Agreement and the Fund Loan Agreement by amending Exhibit F thereto pursuant to this Section 5 shall not affect in any way the Borrower’s
covenant and agreement made in Section 2.02(e)(i) of each of the I-Bank Loan Agreement and, if applicable, the Fund Loan Agreement.

6. Liability of Escrow Agent

The Escrow Agent shall have no duties or responsibilities as Escrow Agent under this Escrow Agreement other than those expressly set forth herein, and shall have no duty to enforce any obligation of any person to perform any act. The Escrow Agent may rely conclusively and shall be protected in acting upon any order, notice, demand, direction, certificate, opinion and advice of counsel (including counsel selected by the Escrow Agent), statement, instrument, report or other instrument or document (not only as to its due execution and the validity and effectiveness thereof, but also as to the truth and accuracy of any information therein contained) that is believed by the Escrow Agent to be genuine and to be signed by the proper person.

7. Acknowledgments and Liability of Borrower

Based upon the Borrower’s execution and delivery into escrow of the I-Bank Loan Agreement and the Fund Loan Agreement in accordance with the terms hereof and further based upon the Borrower’s execution, attestation and delivery of this Escrow Agreement, the Borrower has irrevocably committed to borrow (1) from the I-Bank, the I-Bank Loan Amount, pursuant to the terms and conditions of the I-Bank Loan Agreement, and (2) from the State, the Fund Loan Amount, pursuant to the terms and conditions of the Fund Loan Agreement. Notwithstanding the foregoing, the I-Bank Loan Amount and the Fund Loan Amount may only be changed subsequent to the date hereof in accordance with Section 2(a)(2) hereof.

The Borrower acknowledges (1) that the I-Bank and the State are relying upon the Borrower’s execution and attestation of the Escrowed Documents and related execution, attestation and delivery of this Escrow Agreement, as well as the execution of the commitment letters set forth as Exhibit A hereto (delivered to the I-Bank and the State on the date hereof) relating to the delivery of the opinions required to close the I-Bank Loan and the Fund Loan; (2) that such reliance by the I-Bank is the basis upon which the I-Bank will determine the aggregate principal amount of, and undertake all actions necessary to issue, the I-Bank Bonds; (3) that, in consideration of (1) and (2) above, the I-Bank has tentatively scheduled the mailing of the Preliminary Official Statement for the I-Bank Bonds on or about _______, 2020, the initial publication of its Notice of Sale for the I-Bank Bonds on or about _______, 2020, and the sale of the I-Bank Bonds on or about _______, 2020; (4) that the aggregate principal amount of and the interest payable on that portion of the I-Bank Loan set forth in Exhibit A-2 to the I-Bank Loan Agreement shall be based upon and reflect, among other things, the interest rate on the I-Bank Bonds established at the sale thereof; and (5) that the I-Bank’s ability to make the I-Bank Loan at the rate so established, and the State’s ability to make the Fund Loan, are subject to and dependent upon the release and delivery of the Escrowed Documents pursuant to Section 3 hereof.

The Borrower agrees that, subject to the provisions of the immediately succeeding sentence, in the event the Escrow Agent shall fail to release and deliver or shall cancel the Escrowed Documents for any reason (including, but not limited to, the failure of the Borrower to satisfy any of the preconditions to its due authorization, execution, attestation and delivery of the I-Bank Loan Bond or the Fund Loan Bond or the failure of general counsel or bond counsel to the
Borrower to deliver its respective opinion required in connection with the closing of the I-Bank Loan or the Fund Loan), the Borrower shall be responsible to the I-Bank, the State and the Borrowers for any and all expenses, losses or damages, monetary and otherwise (including, but not limited to, all costs of issuance and all legal costs of the I-Bank, the State and the Borrowers incurred in connection with the I-Bank’s proposed bond issue to fund the I-Bank Loan and the proposed making of the I-Bank Loan and the Fund Loan for financing a portion of the Costs of the Borrower’s environmental infrastructure project), to the I-Bank, the State and the Borrowers, respectively, arising from such failure or cancellation. Notwithstanding the provisions of the immediately preceding sentence to the contrary, in the event that the Escrow Agent shall fail to release and deliver or shall cancel the Escrowed Documents and such failure or such cancellation is the result of the gross negligence or willful misconduct of the I-Bank, the Borrower shall not be responsible to the I-Bank or the State for any expenses, losses or damages, monetary or otherwise, incurred by the I-Bank or the State, respectively, and arising as a result of such failure or such cancellation, and such expenses, losses or damages, monetary or otherwise, of the I-Bank and the State, respectively, shall be the sole responsibility of the I-Bank; provided, however, that in the event of such failure or such cancellation as a result of the gross negligence or willful misconduct of the I-Bank, the Borrower shall remain responsible for its own expenses, losses or damages, monetary or otherwise (including, but not limited to, all costs of issuance and all legal costs of the Borrower incurred in connection with the I-Bank’s proposed bond issue to fund the I-Bank Loan and the proposed making of the I-Bank Loan and the Fund Loan for financing a portion of the Costs of the Borrower’s environmental infrastructure project). The Borrower’s obligation under this paragraph shall be continuing notwithstanding such failure or cancellation by the Escrow Agent.

Notwithstanding the foregoing, nothing herein shall prevent the Borrower from pursuing any claims, including any claims the I-Bank or the State may have, against any third party for any default, cancellation or failure to perform under this Escrow Agreement; provided, however, that no such claim of the I-Bank or the State may be pursued by the Borrower without the express written consent of the I-Bank or the State, respectively, which consent shall not be unreasonably withheld.

8. Escrow Agent’s Compensation

The I-Bank shall pay the Escrow Agent a total fee for the services performed under this Escrow Agreement in accordance with the terms of the Escrow Agent’s proposal to the I-Bank dated June 1, 2017 and the I-Bank’s Resolution 17-39 adopted on June 15, 2017 to accept such proposal, subject to the execution, attestation and delivery of this Escrow Agreement.

9. Miscellaneous I-Bank and State Requirements

(a) Covenant of Non-Collusion. The Escrow Agent warrants and represents that this Escrow Agreement has not been solicited or prepared, directly or indirectly, in a manner contrary to the laws of the State of New Jersey or the United States of America, and that said laws have not been violated and shall not be violated as they relate to the procurement or the performance of this Escrow Agreement by any conduct, including the paying or giving of any fee, commission, compensation, gift, gratuity or consideration of
any kind, directly or indirectly, to any federal, State or local government employee, officer or official or any special State officer as defined in N.J.S.A. 52:13D-13.

(b) **Covenant Against Contingent Fees.** The Escrow Agent warrants and represents that no person or selling agency has been employed or retained to solicit or secure this Escrow Agreement upon any agreement or understanding for a commission, percentage or brokerage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Escrow Agent for the purpose of securing business.

(c) **Non-Discrimination.** During the performance of this Escrow Agreement, the Escrow Agent warrants and represents that:

(i) the Escrow Agent will comply with all applicable federal, state and local anti-discrimination laws, including those found at N.J.S.A. 10:2-1 through 10:2-4 and N.J.S.A. 10:5-31 through 10:5-38, as well as all rules and regulations issued thereunder;

(ii) the Escrow Agent will comply with any applicable affirmative action program approved by the Treasurer of the State of New Jersey;

(iii) the Escrow Agent will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status or sex. The Escrow Agent will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status or sex. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Escrow Agent agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. The Escrow Agent shall insert a similar provision in any subcontract for performance of services within the scope of this Escrow Agreement;

(iv) the Escrow Agent will, in all solicitations or advertisements for employees placed by or on behalf of the Escrow Agent, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status or sex; and

(v) the Escrow Agent will send to each labor union or representative of workers with which the Escrow Agent has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers’ representative of the Escrow Agent’s commitments under this Escrow Agreement, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) **Confidentiality.** Unless otherwise specified in this Escrow Agreement, the Escrow Agent shall not publish, permit to be published, distribute, use or disclose to any person any information that the Escrow Agent acquires in the performance of this Escrow Agreement, except with the prior written consent of the I-Bank, the State and the Borrower.
10. **Useful Life of Project Financed with I-Bank Loan**

The Borrower represents that the useful life of the Project to be financed with the I-Bank Loan, as set forth in the certificate of the Borrower’s consulting engineer (in the form attached as Exhibit D hereto), exceeds the maturity date of the I-Bank Loan Bond to the I-Bank.

11. **Defaults With Respect to Debt Obligations of Borrower**

The Borrower represents and warrants that, since December 31, 1975 and as of the date hereof, the Borrower has not been, and is not now, in default in the payment of the principal of or interest on any of its bonds, notes or other debt obligations.

12. **Amendments, Waiver and Discharge**

Neither this Escrow Agreement nor any term hereof may be amended, waived, discharged or terminated except by a writing signed by each of the parties hereto.

13. **Binding Effect**

All of the terms of this Escrow Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective parties hereto and their respective permitted successors and assigns, whether or not so expressed; provided, however, that none of the I-Bank, the State, the Borrower or the Escrow Agent may transfer, assign or pledge its respective duties, covenants, obligations and agreements hereunder without the prior written consent of each of the other parties hereto.

14. **Governing Law**

This Escrow Agreement shall be construed in accordance with and governed by the laws of the State of New Jersey. The Escrow Agent shall, in the performance of this Escrow Agreement, comply with all New Jersey and federal laws, rules and regulations applicable to this Escrow Agreement and to the services to be provided hereunder. All contract claims under this Escrow Agreement shall be subject to and governed by the provisions of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.).

15. **Captions**

Captions are used herein for convenience only, and shall not be construed as part of this Escrow Agreement.

16. **Separability**

Each provision of this Escrow Agreement shall be considered separable. If for any reason any provision that is not essential to the effectuation of the basic purposes hereof is determined to be invalid or contrary to existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Escrow Agreement that are valid.
17. Notices

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the Borrower at the address in Section 17(d) of Schedule A attached hereto and made part hereof, and to the I-Bank, the State and the Escrow Agent, at the following addresses:

(a) I-Bank:

New Jersey Infrastructure Bank  
3131 Princeton Pike  
Building 4, Suite 216  
Lawrenceville, New Jersey 08648-2201  
Attention: Executive Director

(b) State:

New Jersey Department of Environmental Protection  
Municipal Finance and Construction Element  
401 East State Street – 3rd Floor  
Trenton, New Jersey 08625-0425  
Attention: Assistant Director

New Jersey Department of the Treasury  
Office of Public Finance  
State Street Square – 5th Floor  
Trenton, New Jersey 08625-0002  
Attention: Director

(c) Escrow Agent:

Zions Bancorporation, National Association d/b/a Zions Bank  
401 Liberty Avenue, Suite 1729  
Pittsburgh, Pennsylvania 15222  
Attention: Corporate Trust Department

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent by giving written notice to each of the other parties hereto.


Additional defined terms, covenants and requirements have been included in Schedule A attached hereto and made part hereof. Such additional defined terms, covenants and requirements are incorporated in this Escrow Agreement by reference thereto as if set forth in full herein and the Borrower hereby agrees to observe and comply with each such additional term, covenant and requirement included in Schedule A as if the same were set forth in its entirety where reference thereto is made in this Escrow Agreement.
19. **Counterparts**

This Escrow Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Escrow Agreement to produce or account for more than one of such counterparts, which together shall constitute but one and the same agreement.
IN WITNESS WHEREOF, each of the parties hereto by its duly authorized representative has executed, sealed if applicable, and delivered this Escrow Agreement on the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

ATTEST:

____________________________
David E. Zimmer
Assistant Secretary

THE STATE OF NEW JERSEY
ACTING BY AND THROUGH THE
NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION

[SEAL]

By:

Michele Putnam
Assistant Commissioner
Water Resource Management
Department of Environmental Protection

ATTEST:

____________________________
Assistant Director
Municipal Finance and Construction Element
Department of Environmental Protection

[SEAL]

ATTEST:

____________________________
Authorized Officer
Title

[BORROWER]

By:

Authorized Officer
Title

[SEAL]

ATTEST:

____________________________
Natalie Lawrence
Vice President

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION d/b/a ZIONS BANK, as Escrow Agent

By:

Eric Mitzel
Vice President and Manager
SCHEDULE A

CERTAIN ADDITIONAL ESCROW AGREEMENT PROVISIONS
EXHIBIT A

COMMITMENT LETTERS OF BORROWER’S
BOND COUNSEL AND GENERAL COUNSEL
Ladies and Gentlemen:

In our capacity as [bond] [general] counsel to the [Name of Borrower] (the “Borrower”), we have reviewed (i) a copy of the authorized, executed and attested loan agreement (the “I-Bank Loan Agreement”) to be delivered to the New Jersey Infrastructure Bank (the “I-Bank”) and (ii) an authorized, executed and attested general obligation bond of the Borrower to be delivered to the I-Bank (the “I-Bank Loan Bond”), each exclusive of the principal and partial interest repayment schedule applicable thereto, for and evidencing a loan from the I-Bank in connection with the captioned program (the “Program”). We have also reviewed (i) a copy of the authorized, executed and attested loan agreement (the “Fund Loan Agreement”, and together with the I-Bank Loan Agreement, the “Loan Agreements”) to be delivered to the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the “State”), and (ii) an authorized, executed and attested general obligation bond of the Borrower to be delivered to the State (the “State Loan Bond”, and together with the I-Bank Loan Bond, the “Borrower Bonds”), each exclusive of the principal repayment schedule applicable thereto, for and evidencing a loan from the State in connection with the Program. We understand that these Loan Agreements and Borrower Bonds will be placed in escrow on the date hereof and will be released from escrow in completed form and delivered to the I-Bank and the State, respectively, on the date of closing on the I-Bank’s bond issue for the Program, which is estimated to occur on or about May __, 2020 (the “Loan Closing”).

We have also reviewed a copy of the Escrow Agreement dated the date hereof by and among the I-Bank, the State, the Borrower and Zions Bancorporation, National Association d/b/a Zions Bank, as Escrow Agent (the “Escrow Agreement”), which sets forth the terms and conditions upon which the Escrowed Documents (as defined in the Escrow Agreement) shall be released and delivered, or canceled.

Based upon the foregoing, we are of the opinion that the Escrow Agreement has been duly and validly authorized by the Borrower and executed, attested and delivered by the authorized officers of the Borrower; and assuming that the I-Bank, the State and the Escrow Agent each has
the requisite power and authority to authorize, execute, attest and deliver, and each has duly and validly authorized, executed, attested and delivered, the Escrow Agreement, the Escrow Agreement 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 limited or modified by bankruptcy, insolvency or other laws or legal or equitable principles affecting the enforcement of creditors’ rights and remedies.

In addition, based upon our review of such information, certificates of the Borrower, statutes and other matters of law as we deem relevant, we are of the opinion that, as of the date hereof, there exist on the part of the Borrower no legal impediments to the release and delivery of the Escrowed Documents at the Loan Closing pursuant to the provisions of the Escrow Agreement or to the delivery of our opinions in favor of the I-Bank and the State at such time, substantially in the forms attached hereto as Exhibit A and Exhibit B, as required by Section 2.02 of each of the I-Bank Loan Agreement and the Fund Loan Agreement, respectively.

We hereby authorize McCarter & English, LLP, acting as bond counsel to the I-Bank, and the Attorney General of the State of New Jersey, acting as general counsel to the I-Bank, to rely on this opinion as if we had addressed this opinion to them in addition to you.

Very truly yours,
Exhibit A to the Commitment Letter

[ATTACH (I) FORM OF I-BANK LOAN BORROWER BOND COUNSEL OPINION AND (II) FORM OF I-BANK LOAN GENERAL COUNSEL OPINION]

Note: The forms of opinion attached hereto must be consistent with the form of opinion set forth as Exhibit E to the I-Bank Loan Agreement, and may be divided between Borrower bond counsel and Borrower general counsel provided that, when the two opinions are taken together, the entire form of opinion set forth as Exhibit E to the I-Bank Loan Agreement is rendered in full.
Exhibit B to the Commitment Letter

[ATTACH (I) FORM OF FUND LOAN BORROWER BOND COUNSEL OPINION AND (II) FORM OF FUND LOAN GENERAL COUNSEL OPINION]

Note: The forms of opinion attached hereto must be consistent with the form of opinion set forth as Exhibit E to the Fund Loan Agreement, and may be divided between Borrower bond counsel and Borrower general counsel provided that, when the two opinions are taken together, the entire the form of opinion set forth as Exhibit E to the Fund Loan Agreement is rendered in full.
EXHIBIT B

CERTIFICATE AS TO AVAILABLE FUNDS

I, [_______________], an authorized representative of the [NAME OF BORROWER], a [municipal corporation duly created and validly existing under the laws of the State of New Jersey, located in the County of [_____________]] [political subdivision duly created and validly existing under the laws of the State of New Jersey], and herein referred to as the “Borrower”, HEREBY CERTIFY that the Borrower will be able to meet the available funds requirement under Section 3.02(b) of the Loan Agreement by and between the Borrower and the New Jersey Infrastructure Bank dated as of May 1, 2020 (the “Loan Agreement”) prior to the first anticipated disbursement of proceeds pursuant to Exhibit C of the Loan Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand on May __, 2020.

[NAME OF BORROWER]

By: __________________________
Name: _________________________
Title: ___________________________
EXHIBIT C-2

[RESERVED]
Re: New Jersey Infrastructure Bank
State Fiscal Year 2020 New Jersey Water Bank
Project No. [__________]

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

Dear I-Bank Members:

I am acting as consulting engineer for [Name of Borrower] with respect to the above-referenced environmental infrastructure system project, a portion of the Costs of which is to be financed by a loan from the New Jersey Infrastructure Bank (the “I-Bank”) expected to close on or about May __, 2020 (the “Loan Closing”).

As such, I am familiar with the plans and specifications of the environmental infrastructure system project, and I hereby certify that (i) the building cost of such project is a reasonable and accurate estimation thereof and (ii) the useful life of such project exceeds [twenty (20)] [thirty (30)] years from the expected date of the Loan Closing.

[NAME OF ENGINEERING FIRM]

By: ___________________________
Name: _________________________
Title: __________________________
EXHIBIT E

[RESERVED]
EXHIBIT F

[RESERVED]
EXHIBIT G-1

CERTIFICATE REGARDING REIMBURSEMENTS

I, [____________________], an authorized representative of the [NAME OF BORROWER] (the “Borrower”), a [municipal corporation duly created and validly existing under the laws of the State of New Jersey, located in the County of [_____________] [political subdivision duly created and validly existing under the laws of the State of New Jersey], DO HEREBY CERTIFY the following:

A portion of the proceeds of the loan (the “I-Bank Loan”) made by the New Jersey Infrastructure Bank (the “I-Bank”) to the Borrower out of the proceeds of the I-Bank’s Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds) (the “I-Bank Bonds”), in accordance with the Loan Agreement dated as of May 1, 2020 by and between the I-Bank and the Borrower (the “Loan Agreement”), will be used to reimburse the Borrower for expenditures paid prior to the date hereof for Costs of the Project (as such terms are defined in the Loan Agreement), such expenditures being more fully described in Schedule A attached hereto. With respect to such reimbursements:

(a) All allocations of the proceeds of the I-Bank Bonds and the I-Bank Loan to the reimbursement of expenditures for Costs of the Project made prior to the issuance of the I-Bank Bonds satisfy the criteria set forth in either clauses (i) or (ii) [circle one or more as applicable]:

(i) The Costs of the Project to be reimbursed were paid by the Borrower (A) subsequent to [DATE] (the date of adoption of a Declaration of Official Intent, as hereinafter defined) or (B) not more than 60 days prior to the date of adoption of the Declaration of Official Intent with equity of the Borrower as advances in anticipation of long-term tax-exempt financing by the I-Bank, as provided in a resolution declaring the Borrower’s official intent in accordance with Treasury Regulations §1.150-2 (the “Declaration of Official Intent”); or

(ii) The Costs of the Project to be reimbursed were paid by the Borrower for “preliminary expenditures” (within the meaning of Treasury Regulations §1.150-2(f)(2)) including architectural, engineering, surveying, soil testing, reimbursement bond issuance and similar costs that were incurred prior to commencement of construction, rehabilitation or acquisition of the Project, other than land acquisition, site preparation and similar costs incident to commencement of construction, which do not exceed 20 percent of the issue price of the I-Bank Loan that finances the Project.

(b) On the date of the Declaration of Official Intent, in the case of reimbursements described in clause (i) of paragraph (a) above, the Borrower had a reasonable expectation (within the meaning of Treasury Regulations §1.150-2(e)) that it would reimburse the equity it advanced with the proceeds of a borrowing of debt obligations.

(c) All reimbursement allocations, other than reimbursement allocations for “preliminary expenditures” (as described in clause (ii) of paragraph (a) above), will occur not later than 18 months after the later of (i) the date on which the expenditure is paid or (ii) the date the

G-1-1
Project is “placed in service” (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

(d) No reimbursement allocation will employ an “abusive arbitrage device” under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Internal Revenue Code of 1986, as amended (the “Code”).

(e) The proceeds of the I-Bank Bonds used to reimburse the Borrower for Costs of the Project, or funds corresponding to such amounts, will not be used in a manner that results in the creation of “replacement proceeds”, including “sinking funds”, “pledged funds” or funds subject to a “negative pledge” (as such terms are defined in Treasury Regulations §1.148-1), of the I-Bank Bonds or another issue of debt obligations, other than amounts deposited into a “bona fide debt service fund” (as defined in Treasury Regulations §1.148-1).

(f) The Costs of the Project to be reimbursed with the proceeds of the I-Bank Bonds will be “capital expenditures” within the meaning of Treasury Regulations §1.150-1(b).

IN WITNESS WHEREOF, I have hereunto set my hand on May __, 2020.

[NAME OF BORROWER]

By: __________________________
Name: _________________________
Title: _________________________
Schedule A To Exhibit G-1

[Description of Expenditures Being Reimbursed]
EXHIBIT G-2

CERTIFICATE REGARDING NO REIMBURSEMENTS

I, [____________________], an authorized representative of the [NAME OF BORROWER] (the "Borrower"), a [municipal corporation duly created and validly existing under the laws of the State of New Jersey, located in the County of [_____________]] [political subdivision duly created and validly existing under the laws of the State of New Jersey], DO HEREBY CERTIFY the following:

No portion of the proceeds of the loan made by the New Jersey Infrastructure Bank (the “I-Bank”) to the Borrower out of the proceeds of the I-Bank’s Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds), in accordance with the Loan Agreement dated as of May 1, 2020 by and between the I-Bank and the Borrower (the “Loan Agreement”), will be used to reimburse the Borrower for expenditures paid prior to the date hereof for Costs of the Project (as such terms are defined in the Loan Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand on May __, 2020.

[NAME OF BORROWER]

By: __________________________
Name: _________________________
Title: __________________________
ESCROW AGREEMENT

by and among

NEW JERSEY INFRASTRUCTURE BANK,

THE STATE OF NEW JERSEY,
acting by and through the New Jersey Department of Environmental Protection,

[BORROWER]

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION d/b/a ZIONS BANK,
as Escrow Agent

DATED: [INSERT DATE OF ESCROW CLOSING]
IN WITNESS WHEREOF, each of the parties hereto by its duly authorized representative has executed, sealed if applicable, and delivered this Escrow Agreement on the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

ATTEST:

By: __________________________

David E. Zimmer
Assistant Secretary

THE STATE OF NEW JERSEY
ACTING BY AND THROUGH THE
NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION

[SEAL]

By: __________________________

Michele Putnam
Assistant Commissioner
Water Resource Management
Department of Environmental Protection

ATTEST:

Assistant Director
Municipal Finance and Construction Element
Department of Environmental Protection

[NAME OF BORROWER]

ATTEST:

Authorized Officer
Title

By: __________________________

Authorized Officer
Title

[SEAL]

ATTEST:

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION d/b/a ZIONS BANK, as Escrow
Agent

By: __________________________

Natalie Lawrence
Vice President

By: __________________________

Eric Mitzel
Vice President and Manager

[signature page]
SCHEDULE A

Certain Additional Escrow Agreement Provisions

Definitions: In addition to those capitalized terms defined elsewhere in this Escrow Agreement, the following capitalized terms as used in this Escrow Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Borrower” means ______________, a [county] [municipal corporation] duly created and validly existing pursuant to the laws of the State of New Jersey, and its successors and assigns.

“Borrower Bond Resolution” means [an ordinance] [a resolution] entitled “________________________”, adopted by the Borrower on __________, as amended and supplemented.

“Escrow Closing Date” means __________, 2020.

“Fund Loan Amount” means $__________.

“I-Bank Loan Amount” means (i) an amount sufficient to pay Costs of the Project of (A) $____________, and (B) a portion of the NJDEP Fee in the amount of $________, plus (ii) an amount equal to the Borrower’s allocable share of underwriter’s discount on and certain costs of issuance of the I-Bank Bonds, plus (iii) if the I-Bank Bonds are sold with a net original issue discount, an amount equal to the Borrower’s allocable share of such net original issue discount, minus (iv) if the I-Bank Bonds are sold with a net original issue premium, an amount equal to the Borrower’s allocable share of such original issue premium[, plus (v) an amount sufficient to capitalize that portion of interest on the I-Bank Loan that is set forth in Exhibit A-2 to the I-Bank Loan Agreement through and including [DATE] [, plus [(v) (vi)] an amount sufficient to pay the interest that accrued on the short-term loan by the I-Bank to the Borrower].

“NJDEP Fee” means the loan surcharge or loan origination fee imposed by the State as a portion of the Cost of the Project of the Borrower that has been incurred for engineering and environmental services provided by the State for the Borrower in connection with, and as a condition precedent to, the inclusion of the Project of the Borrower in the State Fiscal Year 2020 New Jersey Water Bank. [Add for Nano: The NJDEP Fee for this Project is $0.]

Additional Provisions:

Section 3(c)(vi). Reserved.

Section 17.

(d) Borrower:

[Name of Borrower]
[Address ]
[ ]
Attention: [_______________________]
ESCROW AGREEMENT

by and among

NEW JERSEY INFRASTRUCTURE BANK

THE STATE OF NEW JERSEY,
acting by and through the New Jersey Department of Environmental Protection,

[BORROWER],

[BORROWER’S TRUSTEE],
as Borrower’s Trustee

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION d/b/a ZIONS BANK,
as Escrow Agent

DATED: [INSERT DATE OF ESCROW CLOSING]
TABLE OF CONTENTS

1. Appointment of Escrow Agent .................................................................2
2. Escrowed Documents ............................................................................2
3. Release of Escrowed Documents ..........................................................4
4. Cancellation of Escrowed Documents ....................................................6
5. Modifications to Loan Agreements .........................................................6
6. Liability of Escrow Agent .....................................................................7
7. Acknowledgments and Liability of Borrower ........................................7
8. Escrow Agent’s Compensation ...............................................................8
9. Miscellaneous I-Bank and State Requirements .......................................9
10. Useful Life of Project Financed with I-Bank Loan .................................10
11. Defaults With Respect to Debt Obligations of Borrower ......................10
12. Amendments, Waiver and Discharge ..................................................10
13. Binding Effect ......................................................................................10
14. Governing Law ...................................................................................10
15. Captions .........................................................................................11
16. Separability ......................................................................................11
17. Notices ............................................................................................11
18. Certain Additional Provisions .............................................................12
19. Counterparts .....................................................................................12
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Schedule/Exhibit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCHEDULE A</td>
<td>Certain Additional Escrow Agreement Provisions</td>
</tr>
<tr>
<td>EXHIBIT A</td>
<td>Commitment Letters of Borrower’s Bond Counsel and General Counsel</td>
</tr>
<tr>
<td>EXHIBIT B</td>
<td>Certificate as to Cash on Hand</td>
</tr>
<tr>
<td>EXHIBIT C-1</td>
<td>[Reserved]</td>
</tr>
<tr>
<td>EXHIBIT C-2</td>
<td>[Reserved]</td>
</tr>
<tr>
<td>EXHIBIT C-3</td>
<td>[Reserved]</td>
</tr>
<tr>
<td>EXHIBIT D</td>
<td>Letter of Consulting Engineer</td>
</tr>
<tr>
<td>EXHIBIT E</td>
<td>[Reserved]</td>
</tr>
<tr>
<td>EXHIBIT F</td>
<td>[Reserved]</td>
</tr>
<tr>
<td>EXHIBIT G-1</td>
<td>Certificate Regarding Reimbursements</td>
</tr>
<tr>
<td>EXHIBIT G-2</td>
<td>Certificate Regarding No Reimbursements</td>
</tr>
</tbody>
</table>
ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “Escrow Agreement”), made and entered into on the Escrow Closing Date (as hereinafter defined) by and among the NEW JERSEY INFRASTRUCTURE BANK, a public body corporate and politic with corporate succession duly created and validly existing under the laws of the State of New Jersey (the “I-Bank”), THE STATE OF NEW JERSEY, acting by and through the New Jersey Department of Environmental Protection (the “State”), the BORROWER (as hereinafter defined in Schedule A hereto), the BORROWER’S TRUSTEE (as hereinafter defined in Schedule A hereto), if any, and Zions Bancorporation, National Association d/b/a Zions Bank (“Zions Bank”), a national banking association duly organized and validly existing under the laws of the United States of America, as ESCROW AGENT (the “Escrow Agent”);

WITNESSETH THAT:

WHEREAS, the Borrower is undertaking to obtain loans from both the I-Bank and the State (the “I-Bank Loan” and “Fund Loan,” respectively) pursuant to the “State Fiscal Year 2020 New Jersey Water Bank” (the “Program”); and

WHEREAS, as one of the preconditions to the making of such I-Bank Loan and Fund Loan, the I-Bank and the State are requiring that the Borrower execute and attest the loan agreements required in connection with such loans, and produce validly executed, attested and authenticated bonds evidencing and securing such loans, prior to the I-Bank undertaking to publish the notice of sale for the bonds it intends to issue to fund the I-Bank Loan (the “I-Bank Bonds”).

NOW, THEREFORE, for and in consideration of the mutual duties, covenants, obligations and agreements set forth herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:
1. Appointment of Escrow Agent

For the purposes and subject to the terms and conditions set forth in this Escrow Agreement, the I-Bank, the State, the Borrower and the Borrower’s Trustee hereby agree to the appointment of Zions Bank, as Escrow Agent, and the Escrow Agent hereby accepts such appointment. The Escrow Agent agrees to act as agent for the I-Bank, the State, the Borrower and the Borrower’s Trustee and shall possess and administer the Escrowed Documents (as defined in Section 2 hereof) in accordance with the instructions set forth in this Escrow Agreement. Certain capitalized terms used herein shall have the meanings ascribed to such terms in Schedule A attached hereto and made a part hereof. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in both the I-Bank Loan Agreement and the Fund Loan Agreement (as hereinafter defined).

2. Escrowed Documents

On the date hereof, the I-Bank, the State, the Borrower and the Borrower’s Trustee have jointly delivered the following documents (collectively, the “Escrowed Documents”) to the Escrow Agent in the respective forms described below:

(a) a fully authorized, executed and attested loan agreement with respect to the Fund Loan by and between the State and the Borrower, which will be dated as of May 1, 2020 (the “Fund Loan Agreement”), which Fund Loan Agreement is true, accurate and complete in all respects, except for (1) Exhibit A-2 thereto with respect to the principal amount of and the semiannual principal repayment schedule for the Fund Loan to be made pursuant to the Fund Loan Agreement and (2) to the extent the Borrower requests and the State and the I-Bank consent to an adjustment to the principal amount of the Fund Loan, due to an adjustment to the Costs of the Project, as requested by the Borrower and as approved by the State and the I-Bank, then also except for the principal amount of the Fund Loan and the corresponding modifications to Exhibits B and C thereto (which Exhibit A-2 and, if applicable, which Fund Loan principal amount and modified Exhibits B and C, shall be provided to the Escrow Agent by the I-Bank pursuant to Section 3 hereof);

(b) a fully authorized, executed, attested and authenticated bond of the Borrower to the State (the “Fund Loan Bond”), which will be dated the date of the I-Bank Loan Bond (as hereinafter defined), evidencing and securing the Fund Loan to be made by the State to the Borrower pursuant to the Fund Loan Agreement, which Fund Loan Bond is true, accurate and complete in all respects except as to its date and if applicable in accordance with Section 2(a)(2) hereof, except as to its principal amount (which date, and if applicable which Fund Loan principal amount and modified Exhibits B and C, shall be provided to the Escrow Agent by the I-Bank and placed on the Fund Loan Bond in coordination with the Borrower and the Borrower’s Trustee pursuant to Section 3 hereof);

(c) a fully authorized, executed and attested loan agreement with respect to the I-Bank Loan by and between the I-Bank and the Borrower, which will be dated as of May 1, 2020 (the “I-Bank Loan Agreement”), which I-Bank Loan Agreement is true, accurate
and complete in all respects, except for Exhibit A-2 thereto with respect to the principal amount of and the I-Bank Bond Loan Repayments (as defined in the I-Bank Loan Agreement) schedule for the I-Bank Loan to be made pursuant to said I-Bank Loan Agreement and if applicable in accordance with Section 2(a)(2) hereof, except for the principal amount of the I-Bank Loan and the corresponding modifications to Exhibits B and C thereto (which Exhibit A-2 (including the I-Bank Loan principal amount) and Exhibits B and C thereto, if applicable, shall be provided to the Escrow Agent by the I-Bank pursuant to Section 3 hereof);

(d) a fully authorized, executed, attested and authenticated bond of the Borrower to the I-Bank (the “I-Bank Loan Bond”), which will be dated the dated date of the I-Bank Bonds, evidencing and securing the I-Bank Loan to be made by the I-Bank to the Borrower pursuant to the I-Bank Loan Agreement, which I-Bank Loan Bond has been so authorized, executed and attested by the Borrower and authenticated (but not delivered) by the Borrower’s Trustee pursuant to the Borrower’s Bond Resolution, and which I-Bank Loan Bond is true, accurate and complete in all respects except as to its date, principal amount and I-Bank Bond Loan Repayments schedule (which date, amount and schedule shall be provided to the Escrow Agent by the I-Bank and placed on the I-Bank Loan Bond in coordination with the Borrower and the Borrower’s Trustee pursuant to Section 3 hereof);

(e) an opinion of each of the Borrower’s bond and general counsel with respect to the Fund Loan and an opinion of each of the Borrower’s bond and general counsel with respect to the I-Bank Loan, which opinions shall each be in substantially similar form to the opinions set forth in Exhibit A hereto;

(f) each of the following forms, complete and fully executed as required by the respective terms thereof: (1) a “Federal Funds Accountability and Transparency Act Form” in the form required and provided by the New Jersey Department of Environmental Protection (the “Department”); (2) a “Clean Water Benefits Reporting Form” or a “DWSRF Project and Benefits Reporting Form”, as applicable, each in the form required and provided by the Department; (3) a “Certification Regarding Asset Management Plan” or a “Certification Regarding Fiscal Sustainability Plan”, as applicable, in the form included in Exhibit G to each of the I-Bank Loan Agreement and Fund Loan Agreement; and (4) Internal Revenue Service Form W-9; and

(g) the certificate of the Borrower’s consulting engineer (in the form attached as Exhibit D hereto), stating that the useful life of the Project to be financed with the I-Bank Loan exceeds the maturity date of the I-Bank Loan Bond to the I-Bank.

The Escrow Agent shall hold the Escrowed Documents for release and delivery, or cancellation, pursuant to the terms and conditions of this Escrow Agreement. Notwithstanding any provision of this Escrow Agreement to the contrary, the parties hereto hereby acknowledge and agree that bond counsel to the I-Bank may provide logistical assistance to the Escrow Agent with respect to the retention and the management of some or all of the Escrowed Documents until the release and delivery thereof by the Escrow Agent, or cancellation, pursuant to the terms and conditions of this Escrow Agreement.
3. Release of Escrowed Documents

On May __, 2020 at 9:30 a.m. at the office of bond counsel to the I-Bank, or such other date or time that may be agreed upon by the I-Bank, the State, the Borrower and the Borrower’s Trustee and of which the Escrow Agent is notified in writing by the I-Bank (the “Loan Closing”), the Escrow Agent shall (1) release the Escrowed Documents from escrow and (2) simultaneously with the closing of the I-Bank Bonds, deliver (A) to the I-Bank, the I-Bank Loan Agreement and the I-Bank Loan Bond, and (B) to the State, the Fund Loan Agreement and the Fund Loan Bond, such release and delivery being subject only to receipt by the Escrow Agent of all of the following items as conditions precedent thereto:

(a) Exhibit A-2 to each of the I-Bank Loan Agreement (which shall include the insertion of the principal amount of the I-Bank Loan) and the Fund Loan Agreement (which shall include the insertion of the principal amount of the Fund Loan), each completed in its entirety and if applicable in accordance with Section 2(a)(2) hereof, the revised I-Bank Loan and Fund Loan principal amounts and the corresponding changes to Exhibits B and C thereto;

(b) a written certification of the I-Bank setting forth (1) the date, principal amount and I-Bank Bond Loan Repayments schedule for the I-Bank Loan Bond necessary to complete in its entirety the I-Bank Loan Bond, which date, amount and schedule shall be placed upon the I-Bank Loan Bond in coordination with the Borrower and the Borrower’s Trustee while the I-Bank Loan Bond is held in escrow by the Escrow Agent, (2) the date and if applicable in accordance with Section 2(a)(2) hereof, the principal amount for the Fund Loan Bond necessary to complete in its entirety the Fund Loan Bond, which date and if applicable, amount shall be placed upon the Fund Loan Bond in coordination with the Borrower and the Borrower’s Trustee while the Fund Loan Bond is held in escrow by the Escrow Agent, and (3) a determination by the I-Bank as to which series of I-Bank Bonds will finance the I-Bank Loan;

(c) a written certification of the I-Bank acknowledging receipt by the I-Bank of the following:

(i) the opinions of bond and general counsel to the Borrower and, if applicable, the certificates of the Borrower with respect to liability insurance coverage, as required under Section 3.06(d) of the I-Bank Loan Agreement and Section 3.06(c) of the Fund Loan Agreement;

(ii) copies of those resolutions finally adopted by the governing body of the Borrower and requested by the I-Bank and/or the State, including, without limitation, (A) the resolution of the Borrower authorizing the execution, attestation and delivery of the I-Bank Loan Agreement, the Fund Loan Agreement and this Escrow Agreement, (B) the Borrower’s Bond Resolution, as amended and supplemented as of the date of the Loan Closing, authorizing the execution, attestation, sale and delivery of the I-Bank Loan Bond to the I-Bank and the Fund Loan Bond to the State, (C) the resolution of the Borrower, if any, confirming the details of the sale of the I-Bank Loan Bond to the I-Bank and the Fund Loan Bond to the State, (D) the resolution of the Borrower, if any, declaring its official
intent to reimburse expenditures for the Costs of the Project from the proceeds of the I-Bank Bonds, each of said resolutions of the Borrower being certified by an Authorized Officer of the Borrower as of the date of the Loan Closing, (E) the approval by the Division of Local Government Services in the New Jersey Department of Community Affairs (the “DLGS”) with respect to the issuance by the Borrower of the I-Bank Loan Bond to the I-Bank and the Fund Loan Bond to the State and setting forth any other approvals required therefor by the DLGS, and (F) any other Proceedings;

(iii) a certificate of the Borrower in the form attached as Exhibit B hereto stating to the satisfaction of the I-Bank that the Borrower will be able to meet the cash-on-hand requirement under Section 3.02(b) of the I-Bank Loan Agreement prior to the first anticipated disbursement of proceeds of the I-Bank Loan, as set forth in Exhibit C to the I-Bank Loan Agreement;

(iv) the I-Bank Loan Bond;

(v) a certificate of the Borrower either (A) in the form attached as Exhibit G-1 hereto stating to the satisfaction of the I-Bank that (i) the Borrower will use a portion of the proceeds of the I-Bank Loan to reimburse the Borrower for expenditures paid by it prior to the Loan Closing for Costs of the Project, and (ii) such reimbursements comply with the various provisions of the Treasury Regulations as defined and set forth therein, or (B) in the form attached as Exhibit G-2 hereto stating to the satisfaction of the I-Bank that no portion of the proceeds of the I-Bank Loan will be used by the Borrower to reimburse the Borrower for expenditures paid by it prior to the Loan Closing for Costs of the Project;

(vi) any additional items identified in Section 3(c)(vi) of Schedule A attached hereto and made part hereof;

(d) a copy of the written certification of the I-Bank to the Borrower’s Trustee that the following actions shall take place simultaneously with the release and delivery of the Escrowed Documents:

(i) the authentication and delivery by Zions Bank, as trustee, of the I-Bank Bonds pursuant to Section 2.03 of the Bond Indenture (as defined in the I-Bank Loan Agreement and sometimes referred to herein as the “I-Bank Bond Indenture”);

(ii) the deposits, as applicable, to the Project Fund, the Debt Service Fund, the Operating Expense Fund, the Rebate Fund and the Debt Service Reserve Fund (as defined in the I-Bank Bond Indenture) as may be required to be made pursuant to Section 2.03 of the I-Bank Bond Indenture;

(e) copies of (1) the authorizations by the New Jersey State Legislature of the expenditure of funds by the I-Bank for the I-Bank Loan, (2) the appropriations by the New Jersey State Legislature of funds in the applicable State Fund (as defined in the Fund Loan Agreement) to the I-Bank for the Debt Service Reserve Fund, if applicable, and to the State for the Fund Loan, (3) the Governor’s approval of (1) and (2) of this subsection (e), (4) the approval of the New Jersey State Legislature, by concurrent resolution, of the “Fiscal Year
2020 Financial Plan” of the I-Bank, as the same may be supplemented from time to time, (5) the award of federal funds under a fully executed State revolving fund capitalization grant agreement between the State and the United States Environmental Protection Agency pursuant to the Water Quality Act of 1987 and the Safe Drinking Water Act of 1996 and the requisite “State Match”, (6) the letters of each of the Governor and the New Jersey State Treasurer, pursuant to N.J.S.A. 58:11B-4(j), approving the adoption of the resolution of the I-Bank authorizing the I-Bank Bond Indenture, (7) the “Certificate of the New Jersey State Treasurer Regarding the Approval of the I-Bank Loan and the Fund Loan” in satisfaction of the requirements of Section 9a of the Act, and (8) such other appropriations, resolutions, authorizations, consents or approvals as may be required in order to undertake and complete the Program; and

(f) a written certification of the I-Bank acknowledging receipt by the State of the Fund Loan Bond.

Failure of the Escrow Agent to so release and deliver any one of the Escrowed Documents after satisfaction of the above-mentioned conditions shall be considered a failure to release and deliver all of the Escrowed Documents.

4. Cancellation of Escrowed Documents

In the event that any of the conditions precedent to the release of the Escrowed Documents set forth in Section 3 hereof shall remain unsatisfied for any reason as of the Loan Closing or if the Escrowed Documents are not released and delivered as of the Loan Closing, the Escrow Agent shall on said date mark the Escrowed Documents “CANCELED”, and shall return (1) the I-Bank Loan Bond and the Fund Loan Bond to the Borrower, (2) the I-Bank Loan Agreement to the I-Bank, and (3) the Fund Loan Agreement to the State. The I-Bank and the State hereby acknowledge that upon receipt of said agreements marked “CANCELED” the obligations of the Borrower thereunder are without effect.

5. Modifications to Loan Agreements

The I-Bank, the State and the Borrower acknowledge that, in connection with (1) the sale, issuance and delivery of the I-Bank Bonds and (2) any Fund Loans funded with the proceeds of any State Bonds (as may be defined in the Fund Loan Agreement) hereafter issued by the State, it may be necessary, subsequent to the date hereof and prior to the Loan Closing, to modify the I-Bank Loan Agreement and the Fund Loan Agreement for the purposes set forth, respectively, in Sections 2.02(p) thereof, including, without limitation, for the purpose of assuring that the interest on the I-Bank Bonds and the State Bonds is not includable in gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. In such event, the I-Bank and, if applicable, the State will make such modifications by amending Exhibit F to the I-Bank Loan Agreement and, if applicable, the Fund Loan Agreement and delivering the amended Exhibit F to the Borrower and the Escrow Agent on or prior to the Loan Closing.

Any modifications to the I-Bank Loan Agreement and the Fund Loan Agreement by amending Exhibit F thereto pursuant to this Section 5 shall not affect in any way the Borrower’s
covenant and agreement made in Section 2.02(f)(i) of each of the I-Bank Loan Agreement and, if applicable, the Fund Loan Agreement.

6. **Liability of Escrow Agent**

The Escrow Agent shall have no duties or responsibilities as Escrow Agent under this Escrow Agreement other than those expressly set forth herein, and shall have no duty to enforce any obligation of any person to perform any act. The Escrow Agent may rely conclusively and shall be protected in acting upon any order, notice, demand, direction, certificate, opinion and advice of counsel (including counsel selected by the Escrow Agent), statement, instrument, report or other instrument or document (not only as to its due execution and the validity and effectiveness thereof, but also as to the truth and accuracy of any information therein contained) that is believed by the Escrow Agent to be genuine and to be signed by the proper person.

7. **Acknowledgments and Liability of Borrower**

Based upon the Borrower’s execution and delivery into escrow of the I-Bank Loan Agreement and the Fund Loan Agreement in accordance with the terms hereof and further based upon the Borrower’s execution, attestation and delivery of this Escrow Agreement, the Borrower has irrevocably committed to borrow (1) from the I-Bank, the I-Bank Loan Amount, pursuant to the terms and conditions of the I-Bank Loan Agreement, and (2) from the State, the Fund Loan Amount, pursuant to the terms and conditions of the Fund Loan Agreement. Notwithstanding the foregoing, the I-Bank Loan Amount and the Fund Loan Amount may only be changed subsequent to the date hereof in accordance with Section 2(a)(2) hereof.

The Borrower acknowledges (1) that the I-Bank and the State are relying upon the Borrower’s execution and attestation of the Escrowed Documents and related execution, attestation and delivery of this Escrow Agreement, as well as the execution of the commitment letters set forth as Exhibit A hereto (delivered to the I-Bank and the State on the date hereof) relating to the delivery of the opinions required to close the I-Bank Loan and the Fund Loan; (2) that such reliance by the I-Bank is the basis upon which the I-Bank will determine the aggregate principal amount of, and undertake all actions necessary to issue, the I-Bank Bonds; (3) that, in consideration of (1) and (2) above, the I-Bank has tentatively scheduled the mailing of the Preliminary Official Statement for the I-Bank Bonds on or about _______, 2020, the initial publication of its Notice of Sale for the I-Bank Bonds on or about _______, 2020, and the sale of the I-Bank Bonds on or about _______, 2020; (4) that the aggregate principal amount of and the interest payable on that portion of the I-Bank Loan set forth in Exhibit A-2 to the I-Bank Loan Agreement shall be based upon and reflect, among other things, the interest rate on the I-Bank Bonds established at the sale thereof; and (5) that the I-Bank’s ability to make the I-Bank Loan at the rate so established, and the State’s ability to make the Fund Loan, are subject to and dependent upon the release and delivery of the Escrowed Documents pursuant to Section 3 hereof.

The Borrower agrees that, subject to the provisions of the immediately succeeding sentence, in the event the Escrow Agent shall fail to release and deliver or shall cancel the Escrowed Documents for any reason (including, but not limited to, the failure of the Borrower to satisfy any of the preconditions to its due authorization, execution, attestation and delivery of the I-Bank Loan Bond or the Fund Loan Bond or the failure of general counsel or bond counsel to the
Borrower to deliver its respective opinion required in connection with the closing of the I-Bank Loan or the Fund Loan), the Borrower shall be responsible to the I-Bank, the State and the Borrowers for any and all expenses, losses or damages, monetary and otherwise (including, but not limited to, all costs of issuance and all legal costs of the I-Bank, the State and the Borrowers incurred in connection with the I-Bank’s proposed bond issue to fund the I-Bank Loan and the proposed making of the I-Bank Loan and the Fund Loan for financing a portion of the Costs of the Borrower’s environmental infrastructure project), to the I-Bank, the State and the Borrowers, respectively, arising from such failure or cancellation. Notwithstanding the provisions of the immediately preceding sentence to the contrary, in the event that the Escrow Agent shall fail to release and deliver or shall cancel the Escrowed Documents and such failure or such cancellation is the result of the gross negligence or willful misconduct of the I-Bank, the Borrower shall not be responsible to the I-Bank or the State for any expenses, losses or damages, monetary or otherwise, incurred by the I-Bank or the State, respectively, and arising as a result of such failure or such cancellation, and such expenses, losses or damages, monetary or otherwise, of the I-Bank and the State, respectively, shall be the sole responsibility of the I-Bank; provided, however, that in the event of such failure or such cancellation as a result of the gross negligence or willful misconduct of the I-Bank, the Borrower shall remain responsible for its own expenses, losses or damages, monetary or otherwise (including, but not limited to, all costs of issuance and all legal costs of the Borrower incurred in connection with the I-Bank’s proposed bond issue to fund the I-Bank Loan and the proposed making of the I-Bank Loan and the Fund Loan for financing a portion of the Costs of the Borrower’s environmental infrastructure project). The Borrower’s obligation under this paragraph shall be continuing notwithstanding such failure or cancellation by the Escrow Agent.

Notwithstanding the foregoing, nothing herein shall prevent the Borrower from pursuing any claims, including any claims the I-Bank or the State may have, against any third party for any default, cancellation or failure to perform under this Escrow Agreement; provided, however, that no such claim of the I-Bank or the State may be pursued by the Borrower without the express written consent of the I-Bank or the State, respectively, which consent shall not be unreasonably withheld.

8. Escrow Agent’s Compensation

The I-Bank shall pay the Escrow Agent a total fee for the services performed under this Escrow Agreement in accordance with the terms of the Escrow Agent’s proposal to the I-Bank dated June 1, 2017 and the I-Bank’s Resolution 17-39 adopted on June 15, 2017 to accept such proposal, subject to the execution, attestation and delivery of this Escrow Agreement.
9. Miscellaneous I-Bank and State Requirements

(a) Covenant of Non-Collusion. The Escrow Agent warrants and represents that this Escrow Agreement has not been solicited or prepared, directly or indirectly, in a manner contrary to the laws of the State of New Jersey or the United States of America, and that said laws have not been violated and shall not be violated as they relate to the procurement or the performance of this Escrow Agreement by any conduct, including the paying or giving of any fee, commission, compensation, gift, gratuity or consideration of any kind, directly or indirectly, to any federal, State or local government employee, officer or official or any special State officer as defined in N.J.S.A. 52:13D-13.

(b) Covenant Against Contingent Fees. The Escrow Agent warrants and represents that no person or selling agency has been employed or retained to solicit or secure this Escrow Agreement upon any agreement or understanding for a commission, percentage or brokerage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Escrow Agent for the purpose of securing business.

(c) Non-Discrimination. During the performance of this Escrow Agreement, the Escrow Agent warrants and represents that:

(i) the Escrow Agent will comply with all applicable federal, state and local anti-discrimination laws, including those found at N.J.S.A. 10:2-1 through 10:2-4 and N.J.S.A. 10:5-31 through 10:5-38, as well as all rules and regulations issued thereunder;

(ii) the Escrow Agent will comply with any applicable affirmative action program approved by the Treasurer of the State of New Jersey;

(iii) the Escrow Agent will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status or sex. The Escrow Agent will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status or sex. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Escrow Agent agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. The Escrow Agent shall insert a similar provision in any subcontract for performance of services within the scope of this Escrow Agreement;

(iv) the Escrow Agent will, in all solicitations or advertisements for employees placed by or on behalf of the Escrow Agent, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status or sex; and

(v) the Escrow Agent will send to each labor union or representative of workers with which the Escrow Agent has a collective bargaining agreement or other
contract or understanding a notice advising the labor union or workers’ representative of the Escrow Agent’s commitments under this Escrow Agreement, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) **Confidentiality.** Unless otherwise specified in this Escrow Agreement, the Escrow Agent shall not publish, permit to be published, distribute, use or disclose to any person any information that the Escrow Agent acquires in the performance of this Escrow Agreement, except with the prior written consent of the I-Bank, the State, the Borrower and the Borrower’s Trustee.

10. **Useful Life of Project Financed with I-Bank Loan**

The Borrower represents that the useful life of the Project to be financed with the I-Bank Loan, as set forth in the certificate of the Borrower’s consulting engineer (in the form attached as Exhibit D hereto), exceeds the maturity date of the I-Bank Loan Bond to the I-Bank.

11. **Defaults With Respect to Debt Obligations of Borrower**

The Borrower represents and warrants that, since December 31, 1975 and as of the date hereof, the Borrower has not been, and is not now, in default in the payment of the principal of or interest on any of its bonds, notes or other debt obligations.

12. **Amendments, Waiver and Discharge**

Neither this Escrow Agreement nor any term hereof may be amended, waived, discharged or terminated except by a writing signed by each of the parties hereto.

13. **Binding Effect**

All of the terms of this Escrow Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective parties hereto and their respective permitted successors and assigns, whether or not so expressed; *provided, however*, that none of the I-Bank, the State, the Borrower, the Borrower’s Trustee or the Escrow Agent may transfer, assign or pledge its respective duties, covenants, obligations and agreements hereunder without the prior written consent of each of the other parties hereto.

14. **Governing Law**

This Escrow Agreement shall be construed in accordance with and governed by the laws of the State of New Jersey. The Escrow Agent shall, in the performance of this Escrow Agreement, comply with all New Jersey and federal laws, rules and regulations applicable to this Escrow Agreement and to the services to be provided hereunder. All contract claims under this Escrow Agreement shall be subject to and governed by the provisions of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 *et seq.*).
15. **Captions**

Captions are used herein for convenience only, and shall not be construed as part of this Escrow Agreement.

16. **Separability**

Each provision of this Escrow Agreement shall be considered separable. If for any reason any provision that is not essential to the effectuation of the basic purposes hereof is determined to be invalid or contrary to existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Escrow Agreement that are valid.

17. **Notices**

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the Borrower and the Borrower’s Trustee, if any, at the address(es) in Section 17(d) and (e), respectively, of Schedule A attached hereto and made part hereof, and to the I-Bank, the State and the Escrow Agent, at the following addresses:

(a) **I-Bank:**

New Jersey Infrastructure Bank  
3131 Princeton Pike  
Building 4, Suite 216  
Lawrenceville, New Jersey 08648-2201  
Attention: Executive Director

(b) **State:**

New Jersey Department of Environmental Protection  
Municipal Finance and Construction Element  
401 East State Street – 3rd Floor  
Trenton, New Jersey 08625-0425  
Attention: Assistant Director

New Jersey Department of the Treasury  
Office of Public Finance  
State Street Square – 5th Floor  
Trenton, New Jersey 08625-0002  
Attention: Director

(c) **Escrow Agent:**

Zions Bancorporation, National Association d/b/a Zions Bank  
401 Liberty Avenue, Suite 1729  
Pittsburgh, Pennsylvania 15222  
Attention: Corporate Trust Department
Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent by giving written notice to each of the other parties hereto.


Additional defined terms, covenants and requirements have been included in Schedule A attached hereto and made a part hereof. Such additional defined terms, covenants and requirements are incorporated in this Escrow Agreement by reference thereto as if set forth in full herein and the Borrower hereby agrees to observe and comply with each such additional term, covenant and requirement included in Schedule A as if the same were set forth in its entirety where reference thereto is made in this Escrow Agreement.

19. Counterparts

This Escrow Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Escrow Agreement to produce or account for more than one of such counterparts, which together shall constitute but one and the same agreement.
IN WITNESS WHEREOF, each of the parties hereto by its duly authorized representative has executed, sealed if applicable, and delivered this Escrow Agreement on the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

ATTEST:

_____________________________________
David E. Zimmer
Assistant Secretary

THE STATE OF NEW JERSEY
ACTING BY AND THROUGH THE
NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION

[SEAL]

ATTEST:

_____________________________________
Michele Putnam
Assistant Commissioner
Water Resource Management
Department of Environmental Protection

[SEAL]

ATTEST:

_____________________________________
Authorized Officer
Title

[SEAL]

ATTEST:

_____________________________________
Authorized Officer
Title

[SEAL]

ATTEST:

_____________________________________
Borrower’s Trustee
Title

[SEAL]

ATTEST:

_____________________________________
Zions Bancorporation, National Association d/b/a Zions Bank, as Escrow Agent

_____________________________________
Natalie Lawrence
Vice President

_____________________________________
Eric Mitzel
Vice President and Manager

[signature page]
SCHEDULE A

CERTAIN ADDITIONAL ESCROW AGREEMENT PROVISIONS
EXHIBIT A

COMMITMENT LETTERS OF BORROWER’S
BOND COUNSEL AND GENERAL COUNSEL
[LETTERHEAD OF BORROWER’S BOND COUNSEL/GENERAL COUNSEL]

[Date of Escrow Closing]

New Jersey Infrastructure Bank
Lawrenceville, New Jersey  08648-2201

New Jersey Department of Environmental Protection
Trenton, New Jersey  08625

New Jersey Department of the Treasury
Trenton, New Jersey  08625

RE:  [Name of Borrower]
Application for Loans from New Jersey Infrastructure Bank and State of New Jersey; State
Fiscal Year 2020 New Jersey Water Bank

Ladies and Gentlemen:

In our capacity as [bond] [general] counsel to [the] [Name of Borrower] (the “Borrower”), we have reviewed (i) a copy of the authorized, executed and attested loan agreement (the “I-Bank Loan Agreement”) to be delivered to the New Jersey Infrastructure Bank (the “I-Bank”) and (ii) an authorized, executed, attested and authenticated revenue bond of the Borrower to be delivered to the I-Bank (the “I-Bank Loan Bond”), each exclusive of the principal and partial interest repayment schedule applicable thereto, for and evidencing a loan from the I-Bank in connection with the captioned program (the “Program”). We have also reviewed (i) a copy of the authorized, executed and attested loan agreement (the “Fund Loan Agreement”, and together with the I-Bank Loan Agreement, the “Loan Agreements”) to be delivered to the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the “State”), and (ii) an authorized, executed, attested and authenticated revenue bond of the Borrower to be delivered to the State (the “State Loan Bond”, and together with the I-Bank Loan Bond, the “Borrower Bonds”), each exclusive of the principal repayment schedule applicable thereto, for and evidencing a loan from the State in connection with the Program. We understand that these Loan Agreements and Borrower Bonds will be placed in escrow on the date hereof and will be released from escrow in completed form and delivered to the I-Bank and the State, respectively, on the date of closing on the I-Bank’s bond issue for the Program, which is estimated to occur on or about May __, 2020 (the “Loan Closing”).

We have also reviewed a copy of the Escrow Agreement dated the date hereof by and among the I-Bank, the State, the Borrower, the Borrower’s Trustee, and Zions Bancorporation, National Association d/b/a Zions Bank, as Escrow Agent (the “Escrow Agreement”), which sets forth the terms and conditions upon which the Escrowed Documents (as defined in the Escrow Agreement) shall be released and delivered, or canceled.

Based upon the foregoing, we are of the opinion that the Escrow Agreement has been duly and validly authorized by the Borrower and executed, attested and delivered by the authorized officers of the Borrower; and assuming that the I-Bank, the State, the Borrower’s Trustee and the Escrow Agent each has the requisite power and authority to authorize, execute, attest and deliver,
and each has duly and validly authorized, executed, attested and delivered, the Escrow Agreement, the Escrow Agreement 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 limited or modified by bankruptcy, insolvency or other laws or legal or equitable principles affecting the enforcement of creditors’ rights and remedies.

In addition, based upon our review of such information, certificates of the Borrower, statutes and other matters of law as we deem relevant, we are of the opinion that, as of the date hereof, there exist on the part of the Borrower no legal impediments to the release and delivery of the Escrowed Documents at the Loan Closing pursuant to the provisions of the Escrow Agreement or to the delivery of our opinions in favor of the I-Bank and the State at such time, substantially in the forms attached hereto as Exhibit A and Exhibit B, as required by Section 2.02 of each of the I-Bank Loan Agreement and the Fund Loan Agreement, respectively.

We hereby authorize McCarter & English, LLP, acting as bond counsel to the I-Bank, and the Attorney General of the State of New Jersey, acting as general counsel to the I-Bank, to rely on this opinion as if we had addressed this opinion to them in addition to you.

Very truly yours,
Exhibit A to the Commitment Letter

[ATTACH (I) FORM OF I-BANK LOAN BORROWER BOND COUNSEL OPINION AND (II) FORM OF I-BANK LOAN GENERAL COUNSEL OPINION]

Note: The forms of opinion attached hereto must be consistent with the form of opinion set forth as Exhibit E to the I-Bank Loan Agreement, and may be divided between Borrower bond counsel and Borrower general counsel provided that, when the two opinions are taken together, the entire the form of opinion set forth as Exhibit E to the I-Bank Loan Agreement is rendered in full.
Exhibit B to the Commitment Letter

[ATTACH (I) FORM OF FUND LOAN BORROWER BOND COUNSEL OPINION AND (II) FORM OF FUND LOAN GENERAL COUNSEL OPINION]

Note: The forms of opinion attached hereto must be consistent with the form of opinion set forth as Exhibit E to the Fund Loan Agreement, and may be divided between Borrower bond counsel and Borrower general counsel provided that, when the two opinions are taken together, the entire the form of opinion set forth as Exhibit E to the Fund Loan Agreement is rendered in full.
EXHIBIT B

CERTIFICATE AS TO CASH ON HAND

I, [___________________], an authorized representative of [NAME OF BORROWER], a [municipal] [county] [utilities authority] [sewerage authority] [political subdivision] of the State of New Jersey, located in the County of [________________], and herein referred to as the “Borrower”, HEREBY CERTIFY that the Borrower will be able to meet the cash on hand requirement under Section 3.02(b) of the Loan Agreement by and between the Borrower and the New Jersey Infrastructure Bank dated as of May 1, 2020 (the “Loan Agreement”) prior to the first anticipated disbursement of proceeds pursuant to Exhibit C of the Loan Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand on May __, 2020.

[NAME OF BORROWER]

By: __________________________
Name: _________________________
Title: __________________________
EXHIBIT C-1

[RESERVED]
EXHIBIT C-2

[RESERVED]
EXHIBIT C-3

[RESERVED]
EXHIBIT D

LETTER OF CONSULTING ENGINEER
Re: New Jersey Infrastructure Bank

State Fiscal Year 2020 New Jersey Water Bank

Project No. [__________]

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

Dear I-Bank Members:

I am acting as consulting engineer for [Name of Borrower] with respect to the above-referenced environmental infrastructure system project, a portion of the Costs of which is to be financed by a loan from the New Jersey Infrastructure Bank (the “I-Bank”) expected to close on or about May __, 2020 (the “Loan Closing”).

As such, I am familiar with the plans and specifications of the environmental infrastructure system project, and I hereby certify that (i) the building cost of such project is a reasonable and accurate estimation thereof and (ii) the useful life of such project exceeds [twenty (20)] [thirty (30)] years from the expected date of the Loan Closing.

[NAME OF ENGINEERING FIRM]

By: ______________________________
Name: 
Title:
EXHIBIT E

[RESERVED]
EXHIBIT G-1

CERTIFICATE REGARDING REIMBURSEMENTS

I, [_______________________], an authorized representative of [NAME OF BORROWER] (the “Borrower”), located in the County of [____________], New Jersey, DO HEREBY CERTIFY the following:

A portion of the proceeds of the loan (the “I-Bank Loan”) made by the New Jersey Infrastructure Bank (the “I-Bank”) to the Borrower out of the proceeds of the I-Bank’s Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds) (the “I-Bank Bonds”), in accordance with the Loan Agreement dated as of May 1, 2020 by and between the I-Bank and the Borrower (the “Loan Agreement”), will be used to reimburse the Borrower for expenditures paid prior to the date hereof for Costs of the Project (as such terms are defined in the Loan Agreement), such expenditures being more fully described in Schedule A attached hereto. With respect to such reimbursements:

(a) All allocations of the proceeds of the I-Bank Bonds and the I-Bank Loan to the reimbursement of expenditures for Costs of the Project made prior to the issuance of the I-Bank Bonds satisfy the criteria set forth in either clauses (i) or (ii) [circle one or more as applicable]:

   (i) The Costs of the Project to be reimbursed were paid by the Borrower (A) subsequent to [DATE] (the date of adoption of a Declaration of Official Intent, as hereinafter defined) or (B) not more than 60 days prior to the date of adoption of the Declaration of Official Intent with equity of the Borrower as advances in anticipation of long-term tax-exempt financing by the I-Bank, as provided in a resolution declaring the Borrower’s official intent in accordance with Treasury Regulations §1.150-2 (the “Declaration of Official Intent”); or

   (ii) The Costs of the Project to be reimbursed were paid by the Borrower for “preliminary expenditures” (within the meaning of Treasury Regulations §1.150-2(f)(2)) including architectural, engineering, surveying, soil testing, reimbursement bond issuance and similar costs that were incurred prior to commencement of construction, rehabilitation or acquisition of the Project, other than land acquisition, site preparation and similar costs incident to commencement of construction, which do not exceed 20 percent of the issue price of the I-Bank Loan that finances the Project.

(b) On the date of the Declaration of Official Intent, in the case of reimbursements described in clause (i) of paragraph (a) above, the Borrower had a reasonable expectation (within the meaning of Treasury Regulations §1.150-2(e)) that it would reimburse the equity it advanced with the proceeds of a borrowing of debt obligations.

(c) All reimbursement allocations, other than reimbursement allocations for “preliminary expenditures” (as described in clause (ii) of paragraph (a) above), will occur not later than 18 months after the later of (i) the date on which the expenditure is paid or (ii) the date the Project is “placed in service” (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.
(d) No reimbursement allocation will employ an “abusive arbitrage device” under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Internal Revenue Code of 1986, as amended (the “Code”).

(e) The proceeds of the I-Bank Bonds used to reimburse the Borrower for Costs of the Project, or funds corresponding to such amounts, will not be used in a manner that results in the creation of “replacement proceeds”, including “sinking funds”, “pledged funds” or funds subject to a “negative pledge” (as such terms are defined in Treasury Regulations §1.148-1), of the I-Bank Bonds or another issue of debt obligations, other than amounts deposited into a “bona fide debt service fund” (as defined in Treasury Regulations §1.148-1).

(f) The Costs of the Project to be reimbursed with the proceeds of the I-Bank Bonds will be “capital expenditures” within the meaning of Treasury Regulations §1.150-1(b).

IN WITNESS WHEREOF, I have hereunto set my hand on May __, 2020.

[NAME OF BORROWER]

By: __________________________
Name: _______________________
Title: _________________________
Schedule A to Exhibit G-I

[Description of Expenditures Being Reimbursed]
EXHIBIT G-2

CERTIFICATE REGARDING NO REIMBURSEMENTS

I, [_________________], an authorized representative of [NAME OF BORROWER] (the “Borrower”), located in the County of [___________], New Jersey, DO HEREBY CERTIFY the following:

No portion of the proceeds of the loan made by the New Jersey Infrastructure Bank (the “I-Bank”) to the Borrower out of the proceeds of the I-Bank’s Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds), in accordance with the Loan Agreement dated as of May 1, 2020 by and between the I-Bank and the Borrower (the “Loan Agreement”), will be used to reimburse the Borrower for expenditures paid prior to the date hereof for Costs of the Project (as such terms are defined in the Loan Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand on May __, 2020.

[NAME OF BORROWER]

By: __________________________
Name: __________________________
Title: __________________________
ESCROW AGREEMENT

by and among

NEW JERSEY INFRASTRUCTURE BANK,

THE STATE OF NEW JERSEY,
acting by and through the New Jersey Department of Environmental Protection,

[BORROWER],

[BORROWER’S TRUSTEE],
as Borrower's Trustee

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION d/b/a ZIONS BANK,
as Escrow Agent

DATED: [INSERT DATE OF ESCROW CLOSING]
IN WITNESS WHEREOF, each of the parties hereto by its duly authorized representative has executed, sealed if applicable, and delivered this Escrow Agreement on the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

ATTEST:

[SEAL]

By: ________________________________
    Name
    Title

David E. Zimmer
Assistant Secretary

THE STATE OF NEW JERSEY
ACTING BY AND THROUGH THE
NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION

ATTEST:

[SEAL]

By: Michele Putnam
    Assistant Commissioner
    Water Resource Management
    Department of Environmental Protection

ATTEST:

Name
Title
Municipal Finance and Construction Element
Department of Environmental Protection

ATTEST:

[SEAL]

By: ________________________________
    Authorized Officer
    Title

[BORROWER]

ATTEST:

[SEAL]

By: ________________________________
    Authorized Officer
    Title

[BORROWER’S TRUSTEE],
as Borrower’s Trustee

ATTEST:

Name
Title

[BORROWER’S TRUSTEE],
as Borrower’s Trustee

ATTEST:

[SEAL]

By: ________________________________
    Name
    Title

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION d/b/a ZIONS BANK, as Escrow
Agent

ATTEST:

[SEAL]

By: ________________________________
    Natalie Lawrence
    Vice President

Eric Mitzel
Vice President and Manager
SCHEDULE A

Certain Additional Escrow Agreement Provisions

Definitions: In addition to those capitalized terms defined elsewhere in this Escrow Agreement, the following capitalized terms as used in this Escrow Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Borrower” means _____________, a public body corporate and politic with corporate succession, duly created and validly existing pursuant to the laws of the State of New Jersey, including without limitation, the Borrower Enabling Act, and its successors and assigns.

“Borrower Bond Resolution” means the resolution of the Borrower entitled “[____________]”, adopted on [________], as amended and supplemented from time to time, [in particular by a supplemental resolution detailing the terms of the Borrower Bond adopted on [_______] and entitled “[__________]”,] pursuant to which the Borrower Bond has been issued.

“Borrower’s Trustee” means _______________________, a [banking institution] [national banking association] duly organized and validly existing pursuant to the laws of the [State of New Jersey] [United States of America]. [There is no Borrower Trustee under the Borrower Bond Resolution, therefore, all references to Borrower Trustee herein shall be null and void.]

“Escrow Closing Date” means __________, 2020.

“Fund Loan Amount” means $____________.

“I-Bank Loan Amount” means (i) an amount sufficient to pay Costs of the Project of (A) $____________, and (B) a portion of the NJDEP Fee in the amount of $________, plus (ii) an amount equal to the Borrower’s allocable share of underwriter’s discount on and certain costs of issuance of the I-Bank Bonds, plus (iii) if the I-Bank Bonds are sold with a net original issue discount, an amount equal to the Borrower’s allocable share of such net original issue discount, minus (iv) if the I-Bank Bonds are sold with a net original issue premium, an amount equal to the Borrower’s allocable share of such original issue premium], plus (v) an amount sufficient to capitalize that portion of interest on the I-Bank Loan that is set forth in Exhibit A-2 to the I-Bank Loan Agreement through and including [DATE] [, plus [(v) (vi)] an amount sufficient to pay the interest that accrued on the short-term loan by the I-Bank to the Borrower].

“NJDEP Fee” means the loan surcharge or loan origination fee imposed by the State as a portion of the Cost of the Project of the Borrower that has been incurred for engineering and environmental services provided by the State for the Borrower in connection with, and as a condition precedent to, the inclusion of the Project of the Borrower in the State Fiscal Year 2019 New Jersey Water Bank. [Add for Nano: The NJDEP Fee for this Project is $0.]

Additional Provisions:

Section 3(c)(vi). [A certified copy of the executed Service Agreement.] [Reserved.]
Section 17.

(d) Borrower:

[Borrower]
[Address ]
[
]  
Attention: [__________________]

(e) Borrower’s Trustee:

[Borrower’s Trustee]
[Address ]
[
]  
Attention: [__________________]
ESCROW AGREEMENT

by and among

NEW JERSEY INFRASTRUCTURE BANK,

THE STATE OF NEW JERSEY,
acting by and through the New Jersey Department of Environmental Protection,

[BORROWER],

[BORROWER’S TRUSTEE],
as Borrower’s Trustee

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION d/b/a ZIONS BANK,
as Escrow Agent

DATED: [INSERT DATE OF ESCROW CLOSING]
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Appointment of Escrow Agent</td>
<td>2</td>
</tr>
<tr>
<td>2. Escrowed Documents</td>
<td>2</td>
</tr>
<tr>
<td>3. Release of Escrowed Documents</td>
<td>4</td>
</tr>
<tr>
<td>4. Cancellation of Escrowed Documents</td>
<td>6</td>
</tr>
<tr>
<td>5. Modifications to Loan Agreements</td>
<td>6</td>
</tr>
<tr>
<td>6. Liability of Escrow Agent</td>
<td>7</td>
</tr>
<tr>
<td>7. Acknowledgments and Liability of Borrower</td>
<td>7</td>
</tr>
<tr>
<td>8. Escrow Agent’s Compensation</td>
<td>8</td>
</tr>
<tr>
<td>9. Miscellaneous I-Bank and State Requirements</td>
<td>8</td>
</tr>
<tr>
<td>10. Useful Life of Project Financed with I-Bank Loan</td>
<td>10</td>
</tr>
<tr>
<td>11. Defaults With Respect to Debt Obligations of Borrower</td>
<td>10</td>
</tr>
<tr>
<td>12. Amendments, Waiver and Discharge</td>
<td>10</td>
</tr>
<tr>
<td>13. Binding Effect</td>
<td>10</td>
</tr>
<tr>
<td>14. Governing Law</td>
<td>10</td>
</tr>
<tr>
<td>15. Captions</td>
<td>10</td>
</tr>
<tr>
<td>16. Separability</td>
<td>10</td>
</tr>
<tr>
<td>17. Notices</td>
<td>11</td>
</tr>
<tr>
<td>18. Certain Additional Provisions</td>
<td>11</td>
</tr>
<tr>
<td>19. Counterparts</td>
<td>12</td>
</tr>
</tbody>
</table>
## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Schedule/Exhibit</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCHEDULE A</td>
<td>Certain Additional Escrow Agreement Provisions</td>
<td>S-1</td>
</tr>
<tr>
<td>EXHIBIT A</td>
<td>Commitment Letters of Borrower’s Bond Counsel and General Counsel</td>
<td>A-1</td>
</tr>
<tr>
<td>EXHIBIT B</td>
<td>Certificate as to Cash on Hand</td>
<td>B-1</td>
</tr>
<tr>
<td>EXHIBIT C-1</td>
<td>[Reserved]</td>
<td>C-1</td>
</tr>
<tr>
<td>EXHIBIT C-2</td>
<td>[Reserved]</td>
<td>C-2</td>
</tr>
<tr>
<td>EXHIBIT C-3</td>
<td>[Reserved]</td>
<td>C-3</td>
</tr>
<tr>
<td>EXHIBIT D</td>
<td>Letter of Consulting Engineer</td>
<td>D-1</td>
</tr>
<tr>
<td>EXHIBIT E</td>
<td>[Reserved]</td>
<td>E-1</td>
</tr>
<tr>
<td>EXHIBIT F</td>
<td>[Reserved]</td>
<td>F-1</td>
</tr>
<tr>
<td>EXHIBIT G-1</td>
<td>Certificate Regarding Reimbursements</td>
<td>G-1</td>
</tr>
<tr>
<td>EXHIBIT G-2</td>
<td>Certificate Regarding No Reimbursements</td>
<td>G-2</td>
</tr>
</tbody>
</table>
ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “Escrow Agreement”), made and entered into on the Escrow Closing Date (as hereinafter defined) by and among the NEW JERSEY INFRASTRUCTURE BANK, a public body corporate and politic with corporate succession duly created and validly existing under the laws of the State of New Jersey (the “I-Bank”), THE STATE OF NEW JERSEY, acting by and through the New Jersey Department of Environmental Protection (the “State”), the BORROWER (as hereinafter defined in Schedule A hereto), the BORROWER’S TRUSTEE (as hereinafter defined in Schedule A hereto), and Zions Bancorporation, National Association d/b/a Zions Bank (“Zions Bank”), a national banking association duly organized and validly existing under the laws of the United States of America, as ESCROW AGENT (the “Escrow Agent”);

WITNESSETH THAT:

WHEREAS, the Borrower is undertaking to obtain loans from both the I-Bank and the State (the “I-Bank Loan” and “Fund Loan,” respectively) pursuant to the “State Fiscal Year 2020 New Jersey Water Bank” (the “Program”); and

WHEREAS, as one of the preconditions to the making of such I-Bank Loan and Fund Loan, the I-Bank and the State are requiring that the Borrower execute and attest the loan agreements required in connection with such loans, and produce validly executed, attested, and if applicable authenticated, bonds evidencing and securing such loans, prior to the I-Bank undertaking to publish the notice of sale for the bonds it intends to issue to fund the I-Bank Loan (the “I-Bank Bonds”).

NOW, THEREFORE, for and in consideration of the mutual duties, covenants, obligations and agreements set forth herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:
1. Appointment of Escrow Agent

For the purposes and subject to the terms and conditions set forth in this Escrow Agreement, the I-Bank, the State, the Borrower and the Borrower’s Trustee hereby agree to the appointment of Zions Bank, as Escrow Agent, and the Escrow Agent hereby accepts such appointment. The Escrow Agent agrees to act as agent for the I-Bank, the State, the Borrower and the Borrower’s Trustee and shall possess and administer the Escrowed Documents (as defined in Section 2 hereof) in accordance with the instructions set forth in this Escrow Agreement. Certain capitalized terms used herein shall have the meanings ascribed to such terms in Schedule A attached hereto and made a part hereof. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in both the I-Bank Loan Agreement and the Fund Loan Agreement (as hereinafter defined).

2. Escrowed Documents

On the date hereof, the I-Bank, the State, the Borrower and the Borrower’s Trustee have jointly delivered the following documents (collectively, the “Escrowed Documents”) to the Escrow Agent in the respective forms described below:

(a) a fully authorized, executed and attested loan agreement with respect to the Fund Loan by and between the State and the Borrower, which will be dated as of May 1, 2020 (the “Fund Loan Agreement”), which Fund Loan Agreement is true, accurate and complete in all respects, except for (1) Exhibit A-2 thereto with respect to the principal amount of, and the semiannual principal repayment schedule for, the Fund Loan to be made pursuant to the Fund Loan Agreement, and (2) to the extent the Borrower requests and the State and the I-Bank consent to an adjustment to the principal amount of the Fund Loan, due to an adjustment to the Costs of the Project, as requested by the Borrower and as approved by the State and the I-Bank, then also except for the principal amount of the Fund Loan and the corresponding modifications to Exhibits B and C thereto (which Exhibit A-2 and, if applicable, which Fund Loan principal amount and modified Exhibits B and C, shall be provided to the Escrow Agent by the I-Bank pursuant to Section 3 hereof);

(b) a fully authorized, executed, attested, and if applicable authenticated, bond of the Borrower to the State (the “Fund Loan Bond”), which will be dated the date of the I-Bank Loan Bond (as hereinafter defined), evidencing and securing the Fund Loan to be made by the State to the Borrower pursuant to the Fund Loan Agreement, which Fund Loan Bond has been authorized, executed and attested by the Borrower, and if applicable authenticated (but not delivered) by the Borrower’s Trustee, pursuant to the provisions of the Borrower’s Bond Resolution, and which Fund Loan Bond is true, accurate and complete in all respects except as to its date and, if applicable, in accordance with Section 2(a)(2) hereof, except as to its principal amount (which date and, if applicable, which Fund Loan principal amount, shall be provided to the Escrow Agent by the I-Bank and placed on the Fund Loan Bond in coordination with the Borrower and, if applicable, a representative of the Borrower’s Trustee, pursuant to Section 3 hereof);

(c) a fully authorized, executed and attested loan agreement with respect to the I-Bank Loan by and between the I-Bank and the Borrower, which will be dated as of May
1, 2020 (the “I-Bank Loan Agreement”), which I-Bank Loan Agreement is true, accurate and complete in all respects, except for Exhibit A-2 thereto with respect to the principal amount of, and the I-Bank Bond Loan Repayments (as defined in the I-Bank Loan Agreement) schedule for, the I-Bank Loan to be made pursuant to said I-Bank Loan Agreement and, if applicable in accordance with Section 2(a)(2) hereof, except for the principal amount of the I-Bank Loan and the corresponding modifications to Exhibits B and C thereto (which Exhibit A-2 (including the I-Bank Loan principal amount) and Exhibits B and C thereto, if applicable, shall be provided to the Escrow Agent by the I-Bank pursuant to Section 3 hereof);

(d) a fully authorized, executed, attested, and if applicable authenticated, bond of the Borrower to the I-Bank (the “I-Bank Loan Bond”), which will be dated the dated date of the I-Bank Bonds, evidencing and securing the I-Bank Loan to be made by the I-Bank to the Borrower pursuant to the I-Bank Loan Agreement, which I-Bank Loan Bond has been so authorized, executed and attested by the Borrower, and if applicable authenticated (but not delivered) by the Borrower’s Trustee pursuant to the Borrower’s Bond Resolution, and which I-Bank Loan Bond is true, accurate and complete in all respects except as to its date, principal amount and I-Bank Bond Loan Repayments schedule (which date, amount and schedule shall be provided to the Escrow Agent by the I-Bank and placed on the I-Bank Loan Bond in coordination with the Borrower and, if applicable, a representative of the Borrower’s Trustee, pursuant to Section 3 hereof);

(e) an opinion of each of the Borrower’s bond and general counsel with respect to the Fund Loan and an opinion of each of the Borrower’s bond and general counsel with respect to the I-Bank Loan, which opinions shall each be in substantially similar form to the opinions set forth in Exhibit A hereto;

(f) each of the following forms, complete and fully executed as required by the respective terms thereof: (1) a “Federal Funds Accountability and Transparency Act Form” in the form required and provided by the New Jersey Department of Environmental Protection (the “Department”); (2) a “Clean Water Benefits Reporting Form” or a “DWSRF Project and Benefits Reporting Form”, as applicable, each in the form required and provided by the Department; (3) a “Certification Regarding Asset Management Plan” or a “Certification Regarding Fiscal Sustainability Plan”, as applicable, in the form included in Exhibit G to each of the I-Bank Loan Agreement and Fund Loan Agreement; and (4) Internal Revenue Service Form W-9; and

(g) the certificate of the Borrower’s consulting engineer (in the form attached as Exhibit D hereto), stating that the useful life of the Project to be financed with the I-Bank Loan exceeds the maturity date of the I-Bank Loan Bond to the I-Bank.

The Escrow Agent shall hold the Escrowed Documents for release and delivery, or cancellation, pursuant to the terms and conditions of this Escrow Agreement. Notwithstanding any provision of this Escrow Agreement to the contrary, the parties hereto hereby acknowledge and agree that bond counsel to the I-Bank may provide logistical assistance to the Escrow Agent with respect to the retention and the management of some or all of the Escrowed Documents until
the release and delivery thereof by the Escrow Agent, or cancellation, pursuant to the terms and conditions of this Escrow Agreement.

3. Release of Escrowed Documents

On May __, 2020 at 9:30 a.m. at the office of bond counsel to the I-Bank, or such other date or time that may be agreed upon by the I-Bank, the State, the Borrower and the Borrower’s Trustee and of which the Escrow Agent is notified in writing by the I-Bank (the “Loan Closing”), the Escrow Agent shall (1) release the Escrowed Documents from escrow and (2) simultaneously with the closing of the I-Bank Bonds, deliver (A) to the I-Bank, the I-Bank Loan Agreement and the I-Bank Loan Bond, and (B) to the State, the Fund Loan Agreement and the Fund Loan Bond, such release and delivery being subject only to receipt by the Escrow Agent of all of the following items as conditions precedent thereto:

(a) Exhibit A-2 to each of the I-Bank Loan Agreement (which shall include the insertion of the principal amount of the I-Bank Loan) and the Fund Loan Agreement (which shall include the insertion of the principal amount of the Fund Loan), each completed in its entirety and if applicable in accordance with Section 2(a)(2) hereof, the revised I-Bank Loan and Fund Loan principal amounts and the corresponding changes to Exhibits B and C thereto;

(b) a written certification of the I-Bank setting forth (1) the date, principal amount and I-Bank Bond Loan Repayments schedule for the I-Bank Loan Bond necessary to complete in its entirety the I-Bank Loan Bond, which date, amount and schedule shall be placed upon the I-Bank Loan Bond in coordination with the Borrower and, if applicable, a representative of the Borrower’s Trustee, while the I-Bank Loan Bond is held in escrow by the Escrow Agent, (2) the date and, if applicable in accordance with Section 2(a)(2) hereof, the principal amount for the Fund Loan Bond necessary to complete in its entirety the Fund Loan Bond, which date and if applicable, amount shall be placed upon the Fund Loan Bond in coordination with the Borrower and, if applicable, a representative of the Borrower’s Trustee, while the Fund Loan Bond is held in escrow by the Escrow Agent, and (3) a determination by the I-Bank as to which series of I-Bank Bonds will finance the I-Bank Loan;

(c) a written certification of the I-Bank acknowledging receipt by the I-Bank of the following:

(i) the opinions of bond and general counsels to the Borrower and, if applicable, the certificates of the Borrower with respect to liability insurance coverage, as required under Section 3.06(d) of the I-Bank Loan Agreement and Section 3.06(c) of the Fund Loan Agreement;

(ii) copies of those resolutions finally adopted by the governing body of the Borrower and requested by the I-Bank and/or the State, including, without limitation, (A) the resolution of the Borrower authorizing the execution, attestation and delivery of the I-Bank Loan Agreement, the Fund Loan Agreement and this Escrow Agreement, (B) the Borrower’s Bond Resolution, as amended and supplemented as of the date of the Loan
Closing, authorizing the execution, attestation, sale and delivery of the I-Bank Loan Bond to the I-Bank and the Fund Loan Bond to the State, (C) the resolution of the Borrower, if any, confirming the details of the sale of the I-Bank Loan Bond to the I-Bank and the Fund Loan Bond to the State, (D) the resolution of the New Jersey Board of Public Utilities (the “BPU”) approving the issuance by the Borrower of the I-Bank Loan Bond to the I-Bank and the Fund Loan Bond to the State and setting forth any other approvals required therefor by the BPU, and (E) any other Proceedings;

(iii) a certificate of the Borrower in the form attached as Exhibit B hereto stating to the satisfaction of the I-Bank that the Borrower will be able to meet the cash-on-hand requirement under Section 3.02(b) of the I-Bank Loan Agreement prior to the first anticipated disbursement of proceeds of the I-Bank Loan, as set forth in Exhibit C to the I-Bank Loan Agreement;

(iv) the I-Bank Loan Bond;

(v) a certificate of the Borrower either (A) in the form attached as Exhibit G-1 hereto stating to the satisfaction of the I-Bank that (i) the Borrower will use a portion of the proceeds of the I-Bank Loan to reimburse the Borrower for expenditures paid by it prior to the Loan Closing for Costs of the Project, and (ii) such reimbursements comply with the various provisions of the Treasury Regulations as defined and set forth therein, or (B) in the form attached as Exhibit G-2 hereto stating to the satisfaction of the I-Bank that no portion of the proceeds of the I-Bank Loan will be used by the Borrower to reimburse the Borrower for expenditures paid by it prior to the Loan Closing for Costs of the Project;

(vi) any additional items identified in Section 3(c)(vi) of Schedule A attached hereto and made part hereof;

(d) a copy of the written certification of the I-Bank to the Borrower’s Trustee that the following actions shall take place simultaneously with the release and delivery of the Escrowed Documents:

(i) the authentication and delivery by Zions Bank, as trustee, of the I-Bank Bonds pursuant to Section 2.03 of the Bond Indenture (as defined in the I-Bank Loan Agreement and sometimes referred to herein as the “I-Bank Bond Indenture”);

(ii) the deposits, as applicable, to the Project Fund, the Debt Service Fund, the Operating Expense Fund, the Rebate Fund and the Debt Service Reserve Fund (as defined in the I-Bank Bond Indenture) as may be required to be made pursuant to Section 2.03 of the I-Bank Bond Indenture;

(e) copies of (1) the authorizations by the New Jersey State Legislature of the expenditure of funds by the I-Bank for the I-Bank Loan, (2) the appropriations by the New Jersey State Legislature of funds in the applicable State Fund (as defined in the Fund Loan Agreement) to the I-Bank for the Debt Service Reserve Fund, if applicable, and to the State for the Fund Loan, (3) the Governor’s approval of (1) and (2) of this subsection (e), (4) the approval of the New Jersey State Legislature, by concurrent resolution, of the “Fiscal Year
2020 Financial Plan” of the I-Bank, as the same may be supplemented from time to time, (5) the award of federal funds under a fully executed State revolving fund capitalization grant agreement between the State and the United States Environmental Protection Agency pursuant to the Water Quality Act of 1987 and the Safe Drinking Water Act of 1996 and the requisite “State Match”, (6) the letters of each of the Governor and the New Jersey State Treasurer, pursuant to N.J.S.A. 58:11B-4(j), approving the adoption of the resolution of the I-Bank authorizing the I-Bank Bond Indenture, (7) the “Certificate of the New Jersey State Treasurer Regarding the Approval of the I-Bank Loan and the Fund Loan” in satisfaction of the requirements of Section 9a of the Act, and (8) such other appropriations, resolutions, authorizations, consents or approvals as may be required in order to undertake and complete the Program; and

(f) a written certification of the I-Bank acknowledging receipt by the State of the Fund Loan Bond.

Failure of the Escrow Agent to so release and deliver any one of the Escrowed Documents after satisfaction of the above-mentioned conditions shall be considered a failure to release and deliver all of the Escrowed Documents.

4. Cancellation of Escrowed Documents

In the event that any of the conditions precedent to the release of the Escrowed Documents set forth in Section 3 hereof shall remain unsatisfied for any reason as of the Loan Closing or if the Escrowed Documents are not released and delivered as of the Loan Closing, the Escrow Agent shall on said date mark the Escrowed Documents “CANCELED”, and shall return (1) the I-Bank Loan Bond and the Fund Loan Bond to the Borrower, (2) the I-Bank Loan Agreement to the I-Bank, and (3) the Fund Loan Agreement to the State. The I-Bank and the State hereby acknowledge that upon receipt of said agreements marked “CANCELED” the obligations of the Borrower thereunder are without effect.

5. Modifications to Loan Agreements

The I-Bank, the State and the Borrower acknowledge that, in connection with (1) the sale, issuance and delivery of the I-Bank Bonds and (2) any Fund Loans funded with the proceeds of any State Bonds (as may be defined in the Fund Loan Agreement) hereafter issued by the State, it may be necessary, subsequent to the date hereof and prior to the Loan Closing, to modify the I-Bank Loan Agreement and the Fund Loan Agreement for the purposes set forth, respectively, in Sections 2.02(p) thereof, including, without limitation, for the purpose of assuring that the interest on the I-Bank Bonds and the State Bonds is not includable in gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. In such event, the I-Bank and, if applicable, the State will make such modifications by amending Exhibit F to the I-Bank Loan Agreement and, if applicable, the Fund Loan Agreement and delivering the amended Exhibit F to the Borrower and the Escrow Agent on or prior to the Loan Closing.
Any modifications to the I-Bank Loan Agreement and the Fund Loan Agreement by amending Exhibit F thereto pursuant to this Section 5 shall not affect in any way the Borrower’s covenant and agreement made in Section 2.02(f)(i) of each of the I-Bank Loan Agreement and, if applicable, the Fund Loan Agreement.

6. Liability of Escrow Agent

The Escrow Agent shall have no duties or responsibilities as Escrow Agent under this Escrow Agreement other than those expressly set forth herein, and shall have no duty to enforce any obligation of any person to perform any act. The Escrow Agent may rely conclusively and shall be protected in acting upon any order, notice, demand, direction, certificate, opinion and advice of counsel (including counsel selected by the Escrow Agent), statement, instrument, report or other instrument or document (not only as to its due execution and the validity and effectiveness thereof, but also as to the truth and accuracy of any information therein contained) that is believed by the Escrow Agent to be genuine and to be signed by the proper person.

7. Acknowledgments and Liability of Borrower

Based upon the Borrower’s execution and delivery into escrow of the I-Bank Loan Agreement and the Fund Loan Agreement in accordance with the terms hereof and further based upon the Borrower’s execution, attestation and delivery of this Escrow Agreement, the Borrower has irrevocably committed to borrow (1) from the I-Bank, the I-Bank Loan Amount, pursuant to the terms and conditions of the I-Bank Loan Agreement, and (2) from the State, the Fund Loan Amount, pursuant to the terms and conditions of the Fund Loan Agreement. Notwithstanding the foregoing, the I-Bank Loan Amount and the Fund Loan Amount may only be changed subsequent to the date hereof in accordance with Section 2(a)(2) hereof.

The Borrower acknowledges (1) that the I-Bank and the State are relying upon the Borrower’s execution and attestation of the Escrowed Documents and related execution, attestation and delivery of this Escrow Agreement, as well as the execution of the commitment letters set forth as Exhibit A hereto (delivered to the I-Bank and the State on the date hereof) relating to the delivery of the opinions required to close the I-Bank Loan and the Fund Loan; (2) that such reliance by the I-Bank is the basis upon which the I-Bank will determine the aggregate principal amount of, and undertake all actions necessary to issue, the I-Bank Bonds; (3) that, in consideration of (1) and (2) above, the I-Bank has tentatively scheduled the mailing of the Preliminary Official Statement for the I-Bank Bonds on or about ________, 2020, the initial publication of its Notice of Sale for the I-Bank Bonds on or about ________, 2020, and the sale of the I-Bank Bonds on or about ________, 2020; (4) that the aggregate principal amount of and the interest payable on that portion of the I-Bank Loan set forth in Exhibit A-2 to the I-Bank Loan Agreement shall be based upon and reflect, among other things, the interest rate on the I-Bank Bonds established at the sale thereof; and (5) that the I-Bank’s ability to make the I-Bank Loan at the rate so established, and the State’s ability to make the Fund Loan, are subject to and dependent upon the release and delivery of the Escrowed Documents pursuant to Section 3 hereof.

The Borrower agrees that, subject to the provisions of the immediately succeeding sentence, in the event the Escrow Agent shall fail to release and deliver or shall cancel the Escrowed Documents for any reason (including, but not limited to, the failure of the Borrower to
satisfy any of the preconditions to its due authorization, execution, attestation and delivery of the I-Bank Loan Bond or the Fund Loan Bond or the failure of general counsel or bond counsel to the Borrower to deliver its respective opinion required in connection with the closing of the I-Bank Loan or the Fund Loan), the Borrower shall be responsible to the I-Bank, the State and the Borrowers for any and all expenses, losses or damages, monetary and otherwise (including, but not limited to, all costs of issuance and all legal costs of the I-Bank, the State and the Borrowers incurred in connection with the I-Bank’s proposed bond issue to fund the I-Bank Loan and the proposed making of the I-Bank Loan and the Fund Loan for financing a portion of the Costs of the Borrower’s environmental infrastructure project), to the I-Bank, the State and the Borrowers, respectively, arising from such failure or cancellation. Notwithstanding the provisions of the immediately preceding sentence to the contrary, in the event that the Escrow Agent shall fail to release and deliver or shall cancel the Escrowed Documents and such failure or such cancellation is the result of the gross negligence or willful misconduct of the I-Bank, the Borrower shall not be responsible to the I-Bank or the State for any expenses, losses or damages, monetary or otherwise, incurred by the I-Bank or the State, respectively, and arising as a result of such failure or such cancellation, and such expenses, losses or damages, monetary or otherwise, of the I-Bank and the State, respectively, shall be the sole responsibility of the I-Bank; provided, however, that in the event of such failure or such cancellation as a result of the gross negligence or willful misconduct of the I-Bank, the Borrower shall remain responsible for its own expenses, losses or damages, monetary or otherwise (including, but not limited to, all costs of issuance and all legal costs of the Borrower incurred in connection with the I-Bank’s proposed bond issue to fund the I-Bank Loan and the proposed making of the I-Bank Loan and the Fund Loan for financing a portion of the Costs of the Borrower’s environmental infrastructure project). The Borrower’s obligation under this paragraph shall be continuing notwithstanding such failure or cancellation by the Escrow Agent.

Notwithstanding the foregoing, nothing herein shall prevent the Borrower from pursuing any claims, including any claims the I-Bank or the State may have, against any third party for any default, cancellation or failure to perform under this Escrow Agreement; provided, however, that no such claim of the I-Bank or the State may be pursued by the Borrower without the express written consent of the I-Bank or the State, respectively, which consent shall not be unreasonably withheld.

8. Escrow Agent’s Compensation

The I-Bank shall pay the Escrow Agent a total fee for the services performed under this Escrow Agreement in accordance with the terms of the Escrow Agent’s proposal to the I-Bank dated June 1, 2017 and the I-Bank’s Resolution 17-39 adopted on June 15, 2017 to accept such proposal, subject to the execution, attestation and delivery of this Escrow Agreement.

9. Miscellaneous I-Bank and State Requirements

(a) Covenant of Non-Collusion. The Escrow Agent warrants and represents that this Escrow Agreement has not been solicited or prepared, directly or indirectly, in a manner contrary to the laws of the State of New Jersey or the United States of America, and that said laws have not been violated and shall not be violated as they relate to the procurement or the performance of this Escrow Agreement by any conduct, including the
paying or giving of any fee, commission, compensation, gift, gratuity or consideration of any kind, directly or indirectly, to any federal, State or local government employee, officer or official or any special State officer as defined in N.J.S.A. 52:13D-13.

(b) **Covenant Against Contingent Fees.** The Escrow Agent warrants and represents that no person or selling agency has been employed or retained to solicit or secure this Escrow Agreement upon any agreement or understanding for a commission, percentage or brokerage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Escrow Agent for the purpose of securing business.

(c) **Non-Discrimination.** During the performance of this Escrow Agreement, the Escrow Agent warrants and represents that:

(i) the Escrow Agent will comply with all applicable federal, state and local anti-discrimination laws, including those found at N.J.S.A. 10:2-1 through 10:2-4 and N.J.S.A. 10:5-31 through 10:5-38, as well as all rules and regulations issued thereunder;

(ii) the Escrow Agent will comply with any applicable affirmative action program approved by the Treasurer of the State of New Jersey;

(iii) the Escrow Agent will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status or sex. The Escrow Agent will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status or sex. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Escrow Agent agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. The Escrow Agent shall insert a similar provision in any subcontract for performance of services within the scope of this Escrow Agreement;

(iv) the Escrow Agent will, in all solicitations or advertisements for employees placed by or on behalf of the Escrow Agent, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status or sex; and

(v) the Escrow Agent will send to each labor union or representative of workers with which the Escrow Agent has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers’ representative of the Escrow Agent’s commitments under this Escrow Agreement, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) **Confidentiality.** Unless otherwise specified in this Escrow Agreement, the Escrow Agent shall not publish, permit to be published, distribute, use or disclose to any person any information that the Escrow Agent acquires in the performance of this Escrow
Agreement, except with the prior written consent of the I-Bank, the State, the Borrower and the Borrower’s Trustee.

10. **Useful Life of Project Financed with I-Bank Loan**

The Borrower represents that the useful life of the Project to be financed with the I-Bank Loan, as set forth in the certificate of the Borrower’s consulting engineer (in the form attached as Exhibit D hereto), exceeds the maturity date of the I-Bank Loan Bond to the I-Bank.

11. **Defaults With Respect to Debt Obligations of Borrower**

The Borrower represents and warrants that, since December 31, 1975 and as of the date hereof, the Borrower has not been, and is not now, in default in the payment of the principal of or interest on any of its bonds, notes or other debt obligations.

12. **Amendments, Waiver and Discharge**

Neither this Escrow Agreement nor any term hereof may be amended, waived, discharged or terminated except by a writing signed by each of the parties hereto.

13. **Binding Effect**

All of the terms of this Escrow Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective parties hereto and their respective permitted successors and assigns, whether or not so expressed; *provided, however*, that none of the I-Bank, the State, the Borrower, the Borrower’s Trustee or the Escrow Agent may transfer, assign or pledge its respective duties, covenants, obligations and agreements hereunder without the prior written consent of each of the other parties hereto.

14. **Governing Law**

This Escrow Agreement shall be construed in accordance with and governed by the laws of the State of New Jersey. The Escrow Agent shall, in the performance of this Escrow Agreement, comply with all New Jersey and federal laws, rules and regulations applicable to this Escrow Agreement and to the services to be provided hereunder. All contract claims under this Escrow Agreement shall be subject to and governed by the provisions of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.).

15. **Captions**

Captions are used herein for convenience only, and shall not be construed as part of this Escrow Agreement.

16. **Separability**

Each provision of this Escrow Agreement shall be considered separable. If for any reason any provision that is not essential to the effectuation of the basic purposes hereof is determined to
be invalid or contrary to existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Escrow Agreement that are valid.

17. Notices

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the Borrower and the Borrower’s Trustee, if any, at the address(es) in Section 17(d) and (e), respectively, of Schedule A attached hereto and made part hereof, and to the I-Bank, the State and the Escrow Agent, at the following addresses:

(a) I-Bank:

    New Jersey Infrastructure Bank
    3131 Princeton Pike
    Building 4, Suite 216
    Lawrenceville, New Jersey  08648-2201
    Attention:  Executive Director

(b) State:

    New Jersey Department of Environmental Protection
    Municipal Finance and Construction Element
    401 East State Street – 3rd Floor
    Trenton, New Jersey  08625-0425
    Attention:  Assistant Director
    New Jersey Department of the Treasury
    Office of Public Finance
    State Street Square – 5th Floor
    Trenton, New Jersey  08625-0002
    Attention:  Director

(c) Escrow Agent:

    Zions Bancorporation, National Association d/b/a Zions Bank
    401 Liberty Avenue, Suite 1729
    Pittsburgh, Pennsylvania 15222
    Attention:  Corporate Trust Department

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent by giving written notice to each of the other parties hereto.


Additional defined terms, covenants and requirements have been included in Schedule A attached hereto and made a part hereof. Such additional defined terms, covenants and requirements
are incorporated in this Escrow Agreement by reference thereto as if set forth in full herein and the Borrower hereby agrees to observe and comply with each such additional term, covenant and requirement included in Schedule A as if the same were set forth in its entirety where reference thereto is made in this Escrow Agreement.

19. **Counterparts**

This Escrow Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Escrow Agreement to produce or account for more than one of such counterparts, which together shall constitute but one and the same agreement.
IN WITNESS WHEREOF, each of the parties hereto by its duly authorized representative has executed, sealed if applicable, and delivered this Escrow Agreement on the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

ATTEST:

By: ________________________________
Name
Title

THE STATE OF NEW JERSEY
ACTING BY AND THROUGH THE
NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION

[SEAL]

ATTEST:

By: Michele Putnam
Michele Putnam
Assistant Commissioner
Assistant Commissioner
Water Resource Management
Water Resource Management
Department of Environmental Protection
Department of Environmental Protection

[SEAL]

ATTEST:

[BORROWER]

By: ________________________________
Authorized Officer
Authorized Officer
Title
Title

[SEAL]

ATTEST:

[BORROWER’S TRUSTEE],

as Borrower’s Trustee

[SEAL]

ATTEST:

By: ________________________________
Name
Name
Title
Title

[SEAL]

ATTEST:

By: Eric Mitzel
Eric Mitzel
Vice President and Manager
Vice President and Manager

[signature page]
SCHEDULE A

CERTAIN ADDITIONAL ESCROW AGREEMENT PROVISIONS
EXHIBIT A

COMMITMENT LETTERS OF BORROWER’S
BOND COUNSEL AND GENERAL COUNSEL
New Jersey Infrastructure Bank
Lawrenceville, New Jersey  08648-2201

New Jersey Department of Environmental Protection
Trenton, New Jersey  08625

New Jersey Department of the Treasury
Trenton, New Jersey  08625

RE:  [Name of Borrower]
Application for Loans from New Jersey Infrastructure Bank and State of New Jersey; State Fiscal Year 2020 New Jersey Water Bank

Ladies and Gentlemen:

In our capacity as [bond] [general] counsel to the [Name of Borrower] (the “Borrower”), we have reviewed (i) a copy of the authorized, executed and attested loan agreement (the “I-Bank Loan Agreement”) to be delivered to the New Jersey Infrastructure Bank (the “I-Bank”) and (ii) an authorized, executed, attested, and if applicable authenticated, revenue bond of the Borrower to be delivered to the I-Bank (the “I-Bank Loan Bond”), each exclusive of the principal and partial interest repayment schedule applicable thereto, for and evidencing a loan from the I-Bank in connection with the captioned program (the “Program”). We have also reviewed (i) a copy of the authorized, executed and attested loan agreement (the “Fund Loan Agreement”, and together with the I-Bank Loan Agreement, the “Loan Agreements”) to be delivered to the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the “State”), and (ii) an authorized, executed, attested, and if applicable authenticated, revenue bond of the Borrower to be delivered to the State (the “State Loan Bond”, and together with the I-Bank Loan Bond, the “Borrower Bonds”), each exclusive of the principal repayment schedule applicable thereto, for and evidencing a loan from the State in connection with the Program. We understand that these Loan Agreements and Borrower Bonds will be placed in escrow on the date hereof and will be released from escrow in completed form and delivered to the I-Bank and the State, respectively, on the date of closing on the I-Bank’s bond issue for the Program, which is estimated to occur on or about May __, 2020 (the “Loan Closing”).

We have also reviewed a copy of the Escrow Agreement dated the date hereof by and among the I-Bank, the State, the Borrower, the Borrower’s Trustee, and Zions Bancorporation, National Association d/b/a Zions Bank, as Escrow Agent (the “Escrow Agreement”), which sets forth the terms and conditions upon which the Escrowed Documents (as defined in the Escrow Agreement) shall be released and delivered, or canceled.

Based upon the foregoing, we are of the opinion that the Escrow Agreement has been duly and validly authorized by the Borrower and executed, attested and delivered by the authorized officers of the Borrower; and assuming that the I-Bank, the State, the Borrower’s Trustee and the Escrow Agent each has the requisite power and authority to authorize, execute, attest and deliver,
and each has duly and validly authorized, executed, attested and delivered, the Escrow Agreement, the Escrow Agreement 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 limited or modified by bankruptcy, insolvency or other laws or legal or equitable principles affecting the enforcement of creditors’ rights and remedies.

In addition, based upon our review of such information, certificates of the Borrower, statutes and other matters of law as we deem relevant, we are of the opinion that, as of the date hereof, there exist on the part of the Borrower no legal impediments to the release and delivery of the Escrowed Documents at the Loan Closing pursuant to the provisions of the Escrow Agreement or to the delivery of our opinions in favor of the I-Bank and the State at such time, substantially in the forms attached hereto as Exhibit A and Exhibit B, as required by Section 2.02 of each of the I-Bank Loan Agreement and the Fund Loan Agreement, respectively.

We hereby authorize McCarter & English, LLP, acting as bond counsel to the I-Bank, and the Attorney General of the State of New Jersey, acting as general counsel to the I-Bank, to rely on this opinion as if we had addressed this opinion to them in addition to you.

Very truly yours,
Exhibit A to the Commitment Letter

[ATTACH (I) FORM OF I-BANK LOAN BORROWER BOND COUNSEL OPINION AND (II) FORM OF I-BANK LOAN GENERAL COUNSEL OPINION]

Note: The forms of opinion attached hereto must be consistent with the form of opinion set forth as Exhibit E to the I-Bank Loan Agreement, and may be divided between Borrower bond counsel and Borrower general counsel provided that, when the two opinions are taken together, the entire the form of opinion set forth as Exhibit E to the I-Bank Loan Agreement is rendered in full.
Exhibit B to the Commitment Letter

[ATTACH (I) FORM OF FUND LOAN BORROWER BOND COUNSEL OPINION AND (II) FORM OF FUND LOAN GENERAL COUNSEL OPINION]

Note: The forms of opinion attached hereto must be consistent with the form of opinion set forth as Exhibit E to the Fund Loan Agreement, and may be divided between Borrower bond counsel and Borrower general counsel provided that, when the two opinions are taken together, the entire the form of opinion set forth as Exhibit E to the Fund Loan Agreement is rendered in full.
EXHIBIT B

CERTIFICATE AS TO CASH ON HAND

I, [___________________], an authorized representative of [NAME OF BORROWER] (the “Borrower”), a corporation of the State of New Jersey, HEREBY CERTIFY that the Borrower will be able to meet the cash on hand requirement under Section 3.02(b) of the Loan Agreement by and between the Borrower and the New Jersey Infrastructure Bank dated as of May 1, 2020 (the “Loan Agreement”) prior to the first anticipated disbursement of proceeds pursuant to Exhibit C of the Loan Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand on May __, 2020.

[NAME OF BORROWER]

By: _______________________
Name: _____________________
Title: _______________________
EXHIBIT C-1

[RESERVED]
EXHIBIT D

LETTER OF CONSULTING ENGINEER
Re: New Jersey Infrastructure Bank  
State Fiscal Year 2020 New Jersey Water Bank  
Project No. [__________]

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

Dear I-Bank Members:

I am acting as consulting engineer for [Name of Borrower] with respect to the above-referenced environmental infrastructure system project, a portion of the Costs of which is to be financed by a loan from the New Jersey Infrastructure Bank (the “I-Bank”) expected to close on or about May __, 2020 (the “Loan Closing”).

As such, I am familiar with the plans and specifications of the environmental infrastructure system project, and I hereby certify that (i) the building cost of such project is a reasonable and accurate estimation thereof and (ii) the useful life of such project exceeds [twenty (20)] [thirty (30)] years from the expected date of the Loan Closing.

[NAME OF ENGINEERING FIRM]

By: ____________________________  
Name: ____________________________  
Title: ____________________________
EXHIBIT E

[RESERVED]
EXHIBIT F

[RESERVED]
EXHIBIT G-1

CERTIFICATE REGARDING REIMBURSEMENTS

I, [_______________________], an authorized representative of [NAME OF BORROWER] (the “Borrower”), a corporation of the State of New Jersey, DO HEREBY CERTIFY the following:

A portion of the proceeds of the loan (the “I-Bank Loan”) made by the New Jersey Infrastructure Bank (the “I-Bank”) to the Borrower out of the proceeds of the I-Bank’s Environmental Infrastructure Bonds, Series 2020[ ]-1 (Green Bonds) (the “I-Bank Bonds”), in accordance with the Loan Agreement dated as of May 1, 2020 by and between the I-Bank and the Borrower (the “Loan Agreement”), will be used to reimburse the Borrower for expenditures paid prior to the date hereof for Costs of the Project (as such terms are defined in the Loan Agreement), such expenditures being more fully described in Schedule A attached hereto. With respect to such reimbursements:

(a) All allocations of the proceeds of the I-Bank Bonds and the I-Bank Loan to the reimbursement of expenditures for Costs of the Project made prior to the issuance of the I-Bank Bonds satisfy the criteria set forth in either clauses (i) or (ii) [circle one or more as applicable]:

(i) The Costs of the Project to be reimbursed were paid by the Borrower (A) subsequent to [DATE] (the date of adoption of a Declaration of Official Intent, as hereinafter defined) or (B) not more than 60 days prior to the date of adoption of the Declaration of Official Intent with equity of the Borrower as advances in anticipation of long-term tax-exempt financing by the I-Bank, as provided in the I-Bank certification declaring its official intent in accordance with Treasury Regulations §1.150-2 (the “Declaration of Official Intent”); or

(ii) The Costs of the Project to be reimbursed were paid by the Borrower for “preliminary expenditures” (within the meaning of Treasury Regulations §1.150-2(f)(2)) including architectural, engineering, surveying, soil testing, reimbursement bond issuance and similar costs that were incurred prior to commencement of construction, rehabilitation or acquisition of the Project, other than land acquisition, site preparation and similar costs incident to commencement of construction, which do not exceed 20 percent of the issue price of the I-Bank Loan that finances the Project.

(b) All reimbursement allocations, other than reimbursement allocations for “preliminary expenditures” (as described in clause (ii) of paragraph (a) above), will occur not later than 18 months after the later of (i) the date on which the expenditure is paid or (ii) the date the Project is “placed in service” (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

(c) No reimbursement allocation will employ an “abusive arbitrage device” under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Internal Revenue Code of 1986, as amended (the “Code”).
(c) The proceeds of the I-Bank Bonds used to reimburse the Borrower for Costs of the Project, or funds corresponding to such amounts, will not be used in a manner that results in the creation of “replacement proceeds”, including “sinking funds”, “pledged funds” or funds subject to a “negative pledge” (as such terms are defined in Treasury Regulations §1.148-1), of the I-Bank Bonds or another issue of debt obligations, other than amounts deposited into a “bona fide debt service fund” (as defined in Treasury Regulations §1.148-1).

(e) The Costs of the Project to be reimbursed with the proceeds of the I-Bank Bonds will be “capital expenditures” within the meaning of Treasury Regulations §1.150-1(b).

IN WITNESS WHEREOF, I have hereunto set my hand on May __, 2020.

[NAME OF BORROWER]

By: __________________________
Name: _________________________
Title: __________________________
Schedule A to Exhibit G-1

[Description of Expenditures Being Reimbursed]
EXHIBIT G-2

CERTIFICATE REGARDING NO REIMBURSEMENTS

I, [_________________________], an authorized representative of [NAME OF BORROWER] (the “Borrower”), a corporation of the State of New Jersey, HEREBY CERTIFY the following:

No portion of the proceeds of the loan made by the New Jersey Infrastructure Bank (the “I-Bank”) to the Borrower out of the proceeds of the I-Bank’s Environmental Infrastructure Bonds, Series 2020[ ]-I (Green Bonds), in accordance with the Loan Agreement dated as of May 1, 2020 by and between the I-Bank and the Borrower (the “Loan Agreement”), will be used to reimburse the Borrower for expenditures paid prior to the date hereof for Costs of the Project (as such terms are defined in the Loan Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand on May __, 2020.

[NAME OF BORROWER]

By: _________________________
Name: _______________________
Title: _______________________

G-2
ESCROW AGREEMENT

by and among

NEW JERSEY INFRASTRUCTURE BANK,

THE STATE OF NEW JERSEY,
acting by and through the New Jersey Department of Environmental Protection,

[BORROWER],

[BORROWER'S TRUSTEE],
as Borrower's Trustee

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION d/b/a ZIONS BANK,
as Escrow Agent

DATED: [INSERT DATE OF ESCROW CLOSING]
IN WITNESS WHEREOF, each of the parties hereto by its duly authorized representative has executed, sealed if applicable, and delivered this Escrow Agreement on the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

ATTEST:

David E. Zimmer
Assistant Secretary

[SEAL]

THE STATE OF NEW JERSEY
ACTING BY AND THROUGH THE
NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION

[SEAL]

Michele Putnam
Assistant Commissioner
Water Resource Management
Department of Environmental Protection

[SEAL]

ATTEST:

[BORROWER]

[SEAL]

Authorized Officer
Title

[BORROWER’S TRUSTEE],
as Borrower’s Trustee

[SEAL]

By:

Name
Title

ZIONS BANCORPORATION, NATIONAL ASSOCIATION d/b/a ZIONS BANK, as Escrow Agent

[SEAL]

ATTEST:

By:

Natalie Lawrence
Vice President

Eric Mitzel
Vice President and Manager

[signature page]
SCHEDULE A

Certain Additional Escrow Agreement Provisions

Definitions: In addition to those capitalized terms defined elsewhere in this Escrow Agreement, the following capitalized terms as used in this Escrow Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Borrower” means _______________, a corporation duly created and validly existing pursuant to the laws of the State of New Jersey, and its successors and assigns.

“Borrower Bond Resolution” means [a resolution] [an indenture] of the Borrower entitled “[_______________]”, [adopted by the Borrower on] [dated as of] [_______], as amended and supplemented.

“Borrower’s Trustee” means____________________________, a [banking institution] [national banking association] duly organized and validly existing pursuant to the laws of the [State of New Jersey] [United States of America]. [There is no Borrower Trustee under the Borrower Bond Resolution, therefore, all references to Borrower Trustee herein shall be null and void.]

“Escrow Closing Date” means _________, 2020.

“Fund Loan Amount” means $____________.

“I-Bank Loan Amount” means (i) an amount sufficient to pay Costs of the Project of (A) $____________, and (B) a portion of the NJDEP Fee in the amount of $__________, plus (ii) an amount equal to the Borrower’s allocable share of underwriter’s discount on and certain costs of issuance of the I-Bank Bonds, plus (iii) if the I-Bank Bonds are sold with a net original issue discount, an amount equal to the Borrower’s allocable share of such net original issue discount, minus (iv) if the I-Bank Bonds are sold with a net original issue premium, an amount equal to the Borrower’s allocable share of such original issue premium, plus (v) an amount sufficient to capitalize that portion of interest on the I-Bank Loan that is set forth in Exhibit A-2 to the I-Bank Loan Agreement through and including [DATE], plus [(v) (vi)] an amount sufficient to pay the interest that accrued on the short-term loan by the I-Bank to the Borrower].

“NJDEP Fee” means the loan surcharge or loan origination fee imposed by the State as a portion of the Cost of the Project of the Borrower that has been incurred for engineering and environmental services provided by the State for the Borrower in connection with, and as a condition precedent to, the inclusion of the Project of the Borrower in the State Fiscal Year 2020 New Jersey Water Bank.

Additional Provisions:

Section 3(c)(vi).  [____________________] [Reserved].
Section 17.

(d) Borrower:

[Name of Borrower]
[Address ]
[ ]
Attention: [______________]

(e) Borrower’s Trustee:

[Borrower’s Trustee]
[Address ]
[ ]
Attention: [______________]
WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”), in accordance with (i) the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”) (codified at N.J.S.A. 58:11B-1 et seq.), as the same may from time to time be amended and supplemented (the “Act”), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 et seq.), as the same may from time to time be amended and supplemented (the “Regulations”), is authorized, pursuant to an interim financing program for the New Jersey Water Bank (the “Water Bank Construction Financing Program”), to make loans (each, a “Construction Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Construction Loan 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 terms and provisions of N.J.A.C. 7:22-4.47, 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 Bank Construction Financing Program, provided each of the following conditions is satisfied in full: (i) the Project is listed on the project priority list that has been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20 or N.J.S.A. 58:11B-20.1 (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 then in effect pursuant to formal adoption by the I-Bank; (iv) the Project has been certified for funding by the I-Bank in accordance with N.J.A.C. 7:22-4.13; (v) the Projects is in the fundable range in the forthcoming funding cycle given the Projects’ rank and the anticipated availability of New Jersey Department of Environmental Protection (the “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 or for a Supplemental Short Term Loan pursuant to N.J.S.A. 58(11B-9(d)); and

WHEREAS, the I-Bank duly adopted Resolution No. 19-09 on February 14, 2019 entitled “Resolution Authorizing the Construction Loan Financing Program for State Fiscal Year 2020” (the “SFY2020 Authorizing Resolution”) to provide funding for the implementation of the Water Bank Construction Financing Program during State Fiscal Year 2020 including the Construction Financing Program (the “2020 Water Bank Construction Loan Program”); and
WHEREAS, the I-Bank duly adopted Resolution No. 20-xx on February 20, 2020 entitled “Resolution of the New Jersey Infrastructure Bank Authorizing the Water Bank Construction Financing Program for State Fiscal Year 2021” (the “SFY2021 Authorizing Resolution”) to provide funding for the implementation of the Water Bank Construction Financing Program during State Fiscal Year 2021 including the Construction Financing Program (the “2021 Water Bank Construction Financing Program”); and

WHEREAS, it is the desire of the Board to authorize Water Bank Construction Loan Closings pursuant to the SFY2020 Construction Loan Program for loan closings occurring in SFY2020 and the SFY2021 Water Construction Financing Program for loan closings occurring in SFY2021 (each the “Applicable Construction Loan Program”); and

WHEREAS, pursuant to the terms and definitions of the SFY2020 Authorizing Resolution and SFY2021 Authorizing Resolution (each the “Applicable Authorizing Resolution”), the Authorized Officers are each severally authorized, after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, to approve the participation of a Borrower in the Applicable Construction Loan Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations and the terms of the Applicable Authorizing Resolution; and

WHEREAS, pursuant to Section 3 of the Applicable Authorizing Resolution, any Construction Loan approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to a Borrower as part of the Applicable Construction Loan Program shall not exceed $15 million in principal amount (the “Construction Loan Limitation”) unless a higher principal amount thereof is authorized by official action of the Board; and

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

WHEREAS, Two Rivers Water Reclamation Authority (“Two Rivers”) has requested from the I-Bank a construction loan, in anticipation of a long-term loan from each of the I-Bank and the Department, to finance the planning, design and construction of Project #S340117-10, for a new main pump station (the “Two Rivers Project”); and

WHEREAS, pursuant to the Two Rivers Project construction schedule, Construction Loans not to exceed two years for planning and three full fiscal years for construction will be made, all or a portion of which will be completed prior to the borrower’s receipt of I-Bank and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in Two Rivers’ request for a construction loan in an amount not to exceed $75,000,000; and

WHEREAS, with respect to the Applicable Authorizing Resolutions’ Construction Loan Limitations, any Construction Loan approved by any of the Authorized Officers, following the requisite consultations, and made by the I-Bank to a Borrower as part of the Construction Loan
Program shall not exceed $15 million in principal amount, subject to further official action in the form of the adoption of a resolution by the Board of Directors of the I-Bank, the I-Bank now desires, given the facts and circumstances set forth in the recitals hereto, to create as an exception to such limitation of Construction Loans, as part of the 2020 Water Bank Construction Loan Program and the 2021 Water Construction Financing Program, to the aforementioned project sponsor in amount not to exceed the amount stated for the purpose of completing the Two Rivers Project; and

WHEREAS, it is the desire of the I-Bank that, other than the Applicable Authorizing Resolutions’ Construction Loan Limitations described in the immediately preceding recital, the Borrower shall comply with (i) all other requirements of the Applicable Authorizing Resolutions, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

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

Section 1. Notwithstanding the Applicable Authorizing Resolutions’ Construction Loan Limitations providing that all Construction Loans approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to Borrowers as part of the Applicable Construction Loan Program, shall not exceed $15 million in principal amount, the Board of Directors of the I-Bank, given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to the Construction Loan Limitations, a Construction Loan, as part of the SFY2020 Water Bank Construction Loan Program or the SFY2021 Water Construction Financing Programs, Two Rivers Water Reclamation Authority for the stated project in an amount not to exceed the amount stated for the purpose of completing the project.

<table>
<thead>
<tr>
<th>Project Sponsor</th>
<th>Project #</th>
<th>Description</th>
<th>Total Authorized Loan Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two Rivers Water Reclamation Authority</td>
<td>S340117-10</td>
<td>New Main Pump Station</td>
<td>$75,000,000</td>
</tr>
</tbody>
</table>

Section 2. Notwithstanding the stated loan amount of $75,000,000 to Two Rivers, the Construction Financing Program funding commitment for the loan shall be limited to the operable segments certified, in amounts set forth in the Department’s allowable cost determination for each such operable segment, and such funding commitment shall arise at the time of loan closing of the first such operable segment, and upon the NJDEP’s allowable cost determination for each subsequent operable segment certified thereafter, recognizing that the terms and conditions of the long-term New Jersey Environmental Infrastructure Financing Program loans for each said project shall reflect the terms and conditions of the financing program year in which construction is certified.

Section 3. Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loans made to the aforementioned Borrower as part of the
Applicable Construction Loan Program shall comply fully with (i) each of the terms, provisions and conditions precedent set forth in the SFY2020 and SFY2021 Authorizing Resolutions, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

Section 4. 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 effect the transactions contemplated hereby.

Section 5. 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 20, 2020

Motion Made By: Mr. Jack Kocsis

Motion Seconded By: Ms. Kimberly Holmes

Ayes: 7

Nays: 0

Abstentions: 0
RESOLUTION NO. 20 – 10

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING A ONE-YEAR EXTENSION OF ITS AGREEMENT WITH WELLS FARGO N.A. FOR CUSTODIAL BANKING SERVICES FOR THE TRANSPORTATION FINANCING PROGRAM

WHEREAS, pursuant to Section 5 of 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.), the New Jersey Infrastructure Bank (“I-Bank”) is authorized to enter agreements necessary to the performance of its duties; and

WHEREAS, pursuant to Resolution No. 17-43, the the Board of Directors of the I-Bank (“Board”) authorized the Executive Director of the I-Bank to solicit proposals for Custodial Banking Services for the Transportation Financing Program; and

WHEREAS, the I-Bank competitively procured Internal Controls Auditing services through formal advertisement and distribution of a Request for Proposals (“RFP”) pursuant to I-Bank Policy and Procedure 4.0; and

WHEREAS, pursuant to Resolution No. 17-66, the Board authorized the appointment of the highest ranked firm, Wells Fargo N.A., for a two year term with an option for a one-year extension subject to Board approval; and

WHEREAS, on March 12, 2018, an agreement was entered between the I-Bank and Wells Fargo N.A. (“Original Contract”) appointing Wells Fargo N.A. as provider of Custodial Banking Services for the Transportation Financing Program; and

WHEREAS, the Original Contract approved by the Board pursuant to Resolution 17-66 provides for an extension for up to one year, subject to Board authorization; and

WHEREAS, it is the desire of the Board to exercise the one-year option for renewal of its Original Contract with Wells Fargo as outlined in the Original Contract as the Board deems continued appointment of Wells Fargo N.A. for Custodial Banking Services for the Transportation Financing Program to be appropriate.

NOW THEREFORE BE IT RESOLVED, that the Secretary of the I-Bank is hereby authorized to issue a contract extension to Wells Fargo N.A. to provide the services set forth in the Original Contract pursuant to the terms and conditions thereof. The terms and conditions of the amended agreement shall include, but not be limited to:
a. The provision of services as outlined in the I-Bank’s RFP distributed on September 13, 2017 and the proposal submitted by Wells Fargo N.A. dated October 17, 2017; and

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

Adopted Date: February 20, 2020

Motion Made By: Ms. Kimberly Holmes

Motion Seconded By: Mr. Mark Longo

Ayes: 7

Nays: 0

Abstentions: 0
SUMMARY OF ANNOUNCEMENTS:

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

- On **February 20, 2020**, Leigh Peterson, Chief Operating Officer – Water, and George Rolon, Construction Project Manager accepted the Alliance for Action’s “New Jersey’s Leading Infrastructure Projects” award as representatives of the I-Bank in honor of the Water Bank’s financing of the City of Newark Lead Service Line Replacement Phase 1 and 2 projects;
- On **February 18, 2020**, Executive Director Zimmer and CPM Rolon presented the Transportation Bank Financing Program to various municipalities in Camden County;
- On **February 11-13, 2020**, Executive Director Zimmer participated as a Board member in the USEPA’s Environmental Financial Advisory Board (EFAB) meeting in Washington, DC;
- On **February 7, 2020**, Executive Director Zimmer attended the JWW Asset Management and Finance Committee meeting held in Trenton, NJ;
- On **February 7, 2020**, Executive Director Zimmer, COO Peterson, and Charles Jenkins and Karen Cole of the DEP met with Joe Cunha, Joseph Coviello and Richard Haytas of Jersey City Municipal Utilities Authority and their representatives to discuss the financing status of JCMUA’s outstanding project list;
- On **February 6, 2020**, Executive Director Zimmer, accompanied by Rob Fernandez, Chief Operating Officer - Transportation, and CPM Rolon presented the Transportation Bank Financing Program at the Alliance for Action’s “Inside Scoop” meeting in Edison, NJ;
- On **January 31, 2020**, Executive Director Zimmer, COO Peterson, and CPM Rolon, met with Bradley Waugh and Chris Testa of NJOEM, Dan Kelly, Executive Director of NJ GORR and Joy Johnson, Associate Counsel for the Authorities Unit to discuss FEMA BRIC Financing at the I-Bank’s Office;
- On **January 29, 2020**, Executive Director Zimmer met with Board Secretary Mark Longo and Greg Lalevee, Chairman of Elec 825 to discuss the construction pipelines in the I-Bank’s financing programs;
- On **January 22, 2020**, Executive Director Zimmer participated in a conference call hosted by the USEPA EFAB Board regarding Federal financing incentives for Opportunity Zones;
- On **January 21, 2020**, Executive Director Zimmer, Assistant Director and Chief Legal & Compliance Officer, Karp and COO Peterson met with Bob Allen and Stacy McCormack of The Nature Conservancy to discuss collaboration strategies at the I-Bank’s Offices;
- On **January 17, 2020**, Executive Director Zimmer, COO Peterson, and Eugene Chebra, Charles Jenkin and Karen Cole of the DEP; met with representatives from Richwood Development – Harrison Township and Maser Consulting to discuss potential project financing at the I-Bank Office;
- Program staff participated in various conference calls to discuss pre-planning and prospective financing program participation with:
  - **Water Bank**
    - Pennsville Sewerage Authority,
    - Orange City,
    - Carteret, and
    - Village of Ridgewood
- Executive Director Zimmer continues to serve as a Steering Committee member and co-Chair of the Jersey Water Works Asset Management and Finance Committee and co-host quarterly Finance Committee meetings;
• Assistant Director and Chief Legal & Compliance Officer Karp is serving as the point person for the I-Bank, holding regular meetings with counterparts at NJDOT and NJDEP regarding the development and adoption of Program regulations for the Transportation Bank and Water Bank respectively;
• Chief Operating Officer of Water Peterson continues to hold regular meetings with BCUA regarding development of the Program and Project status; and
• The next Board meeting is scheduled for Thursday, March xx, 2020 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 Administrative Assistant if they wish to receive hard copies.

• On February 7, 2020, a letter was sent to Mr. Russell Clark, JR, Superintendent for Glassboro Borough regarding Submission to DLGS of a Water Bank Financing Cost Estimate for Compliance with P.L. 2017, c.71 (WISE Act)
• On January 27, 2020, a letter was sent to Mr. Michael Saraceni, Chief Operating Officer for Merchantville Pennsauken Water Commission regarding Submission to DLGS of a Water Bank Financing Cost Estimate for Compliance with P.L. 2017, c.71 (WISE Act)

A copy of the announcements is available on the I-Bank’s webpage (locate under “Board Information”, “2020 Meetings”, then select “Minutes”, the announcements will be at the end of the file).
https://www.njib.gov/nj/Board+Information.3.
RESOLUTION NO. 20 - XX

RESOLUTION AUTHORIZING APPROVAL OF THE JANUARY 2020 TREASURER’S REPORT

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank") has reviewed the Treasurer’s Report for January 2020; and

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

NOW THEREFORE, BE IT RESOLVED, that the I-Bank hereby accepts the Treasurer’s Report for January 2020 and requests that the same be entered into the record.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
RESOLUTION NO. 20 - xx
RESOLUTION CERTIFYING PROJECTS FOR THE STATE FISCAL YEAR 2020
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM

WHEREAS, pursuant to Sections 5(m) and 9(a) of the New Jersey Infrastructure Trust Act (N.J.S.A. 58:11B-1 et seq.) (the "Act"), the New Jersey Infrastructure Bank (the "I-Bank") is authorized to make and contract to make loans to local government units or public water facilities (the "Borrowers") to finance a portion of the cost of environmental infrastructure projects that they may lawfully undertake or acquire and for which they are authorized by law to borrow funds; and

WHEREAS, project sponsors have submitted New Jersey Environmental Infrastructure Financing Program loan applications to finance a portion of the allowable costs of their environmental infrastructure projects; and

WHEREAS, project sponsors whose projects are identified in the I-Bank's State Fiscal Year ("SFY") 2020 Eligibility List as eligible to receive long-term financing pursuant to and in an amount not to exceed the amount included in the SFY2020 Eligibility List pursuant to N.J.S.A. 58:11B-21 ("Project Eligibility List"); and

WHEREAS, the Legislature has authorized in P.L. 2019, c.515 the expenditure of I-Bank funds for long-term financing of a portion of the allowable costs of the projects on the Project Eligibility List in Sections 2 and 4 of this legislation; and

WHEREAS, representatives of the Department of Environmental Protection (DEP) and the staff of the I-Bank have reviewed and evaluated these applications in accordance with the provisions of N.J.A.C. 7:22-4.13 and 4.46, advised the I-Bank which of these applications may be deemed complete, and determined the amounts presently constituting the allowable costs which may be financed with I-Bank loans; and


NOW THEREFORE BE IT RESOLVED, that the I-Bank Board of Directors hereby approves the project applications set forth in Appendix A for I-Bank loans under the SFY2020 Environmental Infrastructure Financing Program, subject to certification of the corresponding projects by the Chairman or Vice Chairman of the I-Bank pursuant to the provisions of P.L. 2019, c. 515, Section 6 as being in conformity with the provisions of the Act and rules and regulations adopted pursuant thereto.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
RESOLUTION NO. 20 – xx

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK (I) AUTHORIZING THE ISSUANCE AND SALE OF ITS ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2020A-1, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $119,640,000; (II) AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2020A-1 Bonds; (III) AUTHORIZING THE MARKETING AND SALE OF THE SERIES 2020A-1 Bonds; AND (IV) DIRECTING ANY AUTHORIZED OFFICER OF THE I-BANK TO TAKE CERTAIN ACTIONS IN ACCORDANCE WITH THE FOREGOING

WHEREAS, pursuant to the Environmental Infrastructure Financing Program (the “Program”) and in accordance with (i) the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”) (codified at N.J.S.A. 58:11B-1 et seq.), as the same has been and in the future may be further amended and supplemented from time to time (the “Act”) and (ii) a financial plan (the “Financial Plan”) approved by the Legislature of the State in accordance with Sections 21, 21.1, 22 and 22.1 of the Act, the New Jersey Infrastructure Bank, a public body corporate and politic created pursuant to the laws of the State (the “I-Bank”), may issue its revenue bonds (“I-Bank Bonds”), from time to time, for the purpose of making loans (each, an “I-Bank Loan”) to qualifying borrowers (each, a “Borrower”) from the proceeds of the I-Bank Bonds in order to finance a portion of the allowable costs of such Borrower’s environmental infrastructure facilities (the “Environmental Infrastructure Facilities”) (consisting of Wastewater Treatment Facilities, Stormwater Management Facilities or Water Supply Facilities (as such terms are defined in the rules and regulations, as applicable, now or hereafter promulgated under N.J.A.C. 7:22-3 et seq., 7:22-4 et seq., 7:22-5 et seq., 7:22-6 et seq., 7:22-7 et seq., 7:22-8 et seq., 7:22-9 et seq. and 7:22-10 et seq., as the same from time to time may be amended and supplemented (the “Regulations”)); and

WHEREAS, the I-Bank shall make an I-Bank Loan to a Borrower pursuant to the terms and provisions of a loan agreement (an “I-Bank Loan Agreement”), by and between the I-Bank and such Borrower, and such I-Bank Loan Agreement shall set forth (i) certain representations of the Borrower, (ii) certain covenants of the Borrower, (iii) the terms of the repayment by the Borrower of the I-Bank Loan to the I-Bank, (iv) obligations of the Borrower with respect to the undertaking and completion of its project relating to its Environmental Infrastructure Facilities (the “Project”), and (v) obligations of the Borrower with respect to the operation and management of its Environmental Infrastructure Facilities; and

WHEREAS, on February 20, 2020, the Board of Directors of the I-Bank (the “Board”) duly adopted a resolution entitled “Resolution Authorizing Various Actions and Forms of Documents Necessary for the Making of State Fiscal Year 2020 Loans by the New Jersey Infrastructure Bank with Proceeds of its Environmental Infrastructure Bonds to be Issued in Spring of 2020”, which resolution, inter alia, approved the form of the I-Bank Loan Agreement pursuant to which I-Bank Loans shall be made by the I-Bank to certain Borrowers as part of the Program in the
Spring of State Fiscal Year 2020 (the “Spring SFY2020 Program”), and authorized the Chairperson of the I-Bank, the Vice-Chairperson of the I-Bank, the Secretary 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”), to act on behalf of the I-Bank and implement certain elements of the Spring SFY2020 Program in furtherance thereof, including, most materially, the closing in escrow of each I-Bank Loan that is expected to be funded pursuant to the Spring SFY2020 Program; and

WHEREAS, the I-Bank intends to issue its “Environmental Infrastructure Bonds, Series 2020A-1” (the “Series 2020A-1 Bonds”), to be dated the date of issuance thereof, with an exact aggregate principal amount and an exact dated date thereof to be determined by an Authorized Officer of the I-Bank upon the issuance thereof in accordance with the terms hereof, in order to finance the Projects of the Borrowers as part of the Spring SFY2020 Program, which Series 2020A-1 Bonds will be secured by the Trust Estate (as defined therein); and

WHEREAS, it is the desire of the Board, in furtherance of the foregoing with respect to the Spring SFY2020 Program, that the Authorized Officers each be severally authorized and directed to act on behalf of the I-Bank, and implement (i) the execution and delivery of the documents described herein and approved hereby, (ii) the issuance and sale of the Series 2020A-1 Bonds pursuant to the terms and provisions and in the manner set forth herein, and (iii) such other actions in connection with the foregoing or such other actions as shall be necessary or appropriate in furtherance of the intent and purposes of this Resolution.

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

Section 1. Issuance of the Series 2020A-1 Bonds; the Indenture. (i) In furtherance of the Spring SFY2020 Program, the Board hereby approves the issuance of the Series 2020A-1 Bonds in an aggregate principal amount not to exceed $119,640,000. The Series 2020A-1 Bonds shall be issued (i) pursuant to the terms and provisions of an Indenture of Trust (the “Indenture”), by and between the I-Bank and Zions Bancorporation, National Association d/b/a Zions Bank, as Trustee thereunder, 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 an Authorized Officer after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, such approval to be evidenced by the execution thereof by such Authorized Officer, and (ii) in satisfaction of the terms and provisions of, and subject to the conditions precedent set forth in, (a) the Act, (b) the Regulations, (c) the Financial Plan and (d) this Resolution.

(ii) The issuance of the Series 2020A-1 Bonds pursuant to the Indenture shall be subject to the following terms and provisions: (1) The final maturity of the Series 2020A-1 Bonds shall not exceed thirty (30) years from the date of their issuance; (2) the maximum interest rate to be borne by the Series 2020A-1 Bonds shall not exceed 5.00% per annum, subject to any “taxable,” “penalty” or “default” rate as provided by the terms of the Indenture;
(3) the Series 2020A-1 Bonds shall be issuable as fully registered bonds without coupons in denominations of $5,000 or any integral multiple thereof; (4) the Series 2020A-1 Bonds and the interest thereon shall be transferable by and shall be payable to the registered owners thereof in the manner and with the effect provided in the Indenture; (5) the Series 2020A-1 Bonds shall be subject to mandatory and optional redemption prior to maturity as provided in the Indenture, as such redemption provisions shall be determined by an Authorized Officer at the time of, and in connection with, the competitive sale of the Series 2020A-1 Bonds; (6) Zions Bancorporation, National Association d/b/a Zions Bank shall act as Trustee and Paying Agent as defined in, and pursuant to the terms and provisions of, the Indenture; (7) the payment of the principal and redemption premium, if any, of and interest on the Series 2020A-1 Bonds shall be secured by the Trust Estate as defined in the Indenture (the “Trust Estate”); and (8) the proceeds of the Series 2020A-1 Bonds may be invested by an Authorized Officer as and to the extent provided in the Indenture until disbursed as provided by the terms of the Indenture.

(iii) The proceeds of the Series 2020A-1 Bonds shall be used to fund the I-Bank Loan made to each Borrower that is participating in the Spring SFY2020 Program, for the purpose of (A) financing a portion of the cost of the Project thereof and (B) financing a portion of the costs of issuance of the Series 2020A-1 Bonds. The Borrowers that shall participate in the Spring SFY2020 Program shall be selected by an Authorized Officer, after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, as being compliant with the terms and provisions of the Act, the Regulations, the Financial Plan and all other applicable law.

(iv) In the event that an Authorized Officer determines, after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, that it is in the best interests of the I-Bank to designate and market the Series 2020A-1 Bonds as “Green Bonds”, such Series 2020A-1 Bonds shall be designated by the title, “Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds)”.

Section 2. Approval, Execution and Delivery of the Series 2020A-1 Bonds, the Indenture and the Additional Documents. The Board hereby authorizes and directs (i) any Authorized Officer to approve, execute and deliver each of the following, and (ii) the Secretary and the Assistant Secretary of the I-Bank, where required, to affix the corporate seal of the I-Bank, and to attest to the signature of the Authorized Officer, on each of the following:

(a) the Indenture, in conformity with the terms and provisions set forth in Section 1 hereof; and

(b) the Series 2020A-1 Bonds, (1) in conformity with the terms and provisions set forth in Section 1 hereof and (2) substantially in the form of Exhibit A to the Indenture, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, such approval to be evidenced by the execution thereof by such Authorized Officer; and
(c) any other documents, certificates and/or instruments (collectively, the “Additional Documents”) as may be determined by an Authorized Officer to be necessary, convenient or desirable in order to implement the provisions of (1) this Resolution, (2) the Indenture and (3) the Series 2020A-1 Bonds, so as to effect the transactions contemplated hereby and thereby, and to issue, sell and deliver the Series 2020A-1 Bonds.

The execution of the Indenture, the Series 2020A-1 Bonds and the Additional Documents, if any, by an Authorized Officer shall be deemed to be conclusive evidence of approval by such Authorized Officer of such document.

Section 3. The Preliminary Official Statement and the Final Official Statement. (i) (a) The Authorized Officers are hereby severally authorized and directed to prepare a preliminary official statement relating to the Series 2020A-1 Bonds (the “Preliminary Official Statement”), which Preliminary Official Statement shall be in the form, and shall include such provisions, as the Authorized Officer, after consultation with Bond Counsel to the I-Bank and other appropriate professional advisors to the I-Bank, deems in his or her sole discretion to be necessary or desirable, the delivery thereof by the Authorized Officer being conclusive evidence of his or her consent to the provisions thereof.

(b) The Authorized Officers are hereby severally authorized and directed, upon the satisfaction of all of the legal conditions precedent to the delivery and dissemination of the Preliminary Official Statement by the I-Bank, as determined by the Authorized Officer in consultation with Bond Counsel to the I-Bank, to “deem final” the Preliminary Official Statement, in accordance with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 15c2-12”), and to deliver and disseminate the Preliminary Official Statement in the form established by the provisions of subparagraph (i)(a) hereof.

(c) The Authorized Officers are hereby severally authorized and directed to execute any certificate or document and to take such other actions as may be necessary or desirable, relating to compliance with any statutes, regulations, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, including, without limitation, Rule 15c2-12, that the Authorized Officer, after consultation with Bond Counsel to the I-Bank, deems necessary or desirable to effect the issuance, marketing and sale of the Series 2020A-1 Bonds, and the transactions contemplated by the Preliminary Official Statement.

(ii) The Authorized Officers are hereby severally authorized and directed to execute and deliver a final official statement relating to the Series 2020A-1 Bonds (the “Official Statement”), in substantially similar form to the Preliminary Official Statement, with such changes thereto as shall be necessary or desirable to reflect the final pricing of the Series 2020A-1 Bonds, as set forth in any documents relating to the sale of the Series 2020A-1 Bonds, and to reflect any other changes required or permitted pursuant to any statutes, regulations, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state
securities entity, including, without limitation, Rule 15c2-12, as the Authorized Officer, after consultation with Bond Counsel to the I-Bank and any other appropriate professional advisors to the I-Bank, deems in his or her sole discretion to be necessary or desirable to effect the issuance of the Series 2020A-1 Bonds and the transactions contemplated by the Official Statement, which delivery thereof by the Authorized Officer shall conclusively evidence his or her consent to the provisions thereof.

(iii) The Authorized Officers are hereby severally authorized at their discretion to disseminate the Preliminary Official Statement and/or the Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Preliminary Official Statement and/or the Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of this Section.

Section 4. Sale of the Series 2020A-1 Bonds. (i) The Authorized Officers are hereby severally authorized and directed to cause to be published and disseminated in connection with the competitive sale of the Series 2020A-1 Bonds to the underwriter thereof a notice of sale with respect to the Series 2020A-1 Bonds (the “Notice of Sale”), which Notice of Sale shall set forth, inter alia, the following terms and provisions, which terms and provisions shall be determined by the Authorized Officer, in accordance with the provisions of the Act and this Resolution, after consultation with Bond Counsel to the I-Bank, the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank: (a) a summary of the terms of the Series 2020A-1 Bonds; (b) the criteria pursuant to which the award of the Series 2020A-1 Bonds shall be made by the I-Bank; (c) the date and time at which proposals shall be accepted by the I-Bank; and (d) the method by which the bidders shall submit their proposals, which proposals must be submitted to the I-Bank in compliance with the terms of the Notice of Sale (the “Proposal for Bonds”).

(ii) The Authorized Officers are hereby severally authorized and directed to cause (a) the Notice of Sale to be disseminated and (b) a summary of the Notice of Sale to be published in compliance with Section 6(d) of the Act at least once in at least three newspapers published in the State and at least once in a publication carrying municipal bond notices and devoted primarily to financial news published in the State or in the City of New York, the first summary Notice of Sale to be published at least five (5) days prior to the date established by the Notice of Sale for the competitive sale of the Series 2020A-1 Bonds.

(iii) On the date and time established therefor in the Notice of Sale, the Proposals for Bonds shall be received and accepted by the Authorized Officer. Upon receipt and acceptance of the Proposals for Bonds, the Authorized Officers are hereby severally authorized and directed to open such Proposals for Bonds and, after consultation with Bond Counsel to the I-Bank and other appropriate professional advisors to the I-Bank, accept the successful Proposal for Bonds, such successful Proposal for Bonds to be determined based upon compliance with the terms of the Notice of Sale relating to the award of the Series 2020A-1 Bonds and after consultation with Bond Counsel to the I-Bank and other appropriate professional advisors to the I-Bank.
(iv) The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or desirable in order to effectuate the competitive sale of the Series 2020A-1 Bonds pursuant to the terms of the Notice of Sale, including, without limitation, such other actions as may be necessary or desirable in connection with (a) the procurement of a rating on the Series 2020A-1 Bonds from any rating agency and (b) the conduct of informational investment meetings; provided, however, that in each such instance the Authorized Officers shall comply with the provisions of this Section 4 and shall consult with Bond Counsel to the I-Bank and other appropriate professional advisors to the I-Bank with respect thereto.

(v) The Authorized Officers are hereby severally authorized at their discretion to accept Proposals for Bonds and complete the award of the Series 2020A-1 Bonds, pursuant to the terms and provisions of the Notice of Sale, by means of electronic media; provided that, with respect to the selection of the particular electronic media and the implementation of the procedures for the exercise thereof, the Authorized Officer shall consult with Bond Counsel to the I-Bank and other appropriate professional advisors to the I-Bank with respect thereto.

(vi) At the first meeting of the Board subsequent to the competitive sale of the Series 2020A-1 Bonds pursuant to the terms of the Notice of Sale, the Executive Director of the I-Bank or other Authorized Officer shall deliver a report setting forth the details of the competitive sale of the Series 2020A-1 Bonds.

Section 5. Further Action. The Board hereby authorizes any Authorized Officer, after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, to take such other actions, to execute such other documents and instruments, and to seek such other consents as may be necessary or desirable (and not inconsistent with the terms and provisions of the Act, the Regulations, the Financial Plan and this Resolution) in order to effect the issuance and sale of the Series 2020A-1 Bonds and to further the intent and purposes of this Resolution.

Section 6. 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)).
NEW JERSEY INFRASTRUCTURE BANK

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION d/b/a ZIONS BANK, as Trustee

INDENTURE OF TRUST

Dated: May 13, 2020

$__________

Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds)
# TABLE OF CONTENTS

## ARTICLE I

**DEFINITIONS AND RULES OF INTERPRETATION**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01</td>
<td>Definitions</td>
<td>3</td>
</tr>
<tr>
<td>1.02</td>
<td>Rules of Interpretation</td>
<td>12</td>
</tr>
<tr>
<td>1.03</td>
<td>Indenture and Bonds Constitute a Contract</td>
<td>13</td>
</tr>
</tbody>
</table>

## ARTICLE II

**AUTHORIZATION AND ISSUANCE OF BONDS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.01</td>
<td>Authorization of Bonds; Designation of Bonds of Series</td>
<td>14</td>
</tr>
<tr>
<td>2.02</td>
<td>General Provisions for Issuance of Bonds</td>
<td>14</td>
</tr>
<tr>
<td>2.03</td>
<td>Series 2020A-1 Bonds</td>
<td>15</td>
</tr>
<tr>
<td>2.04</td>
<td>Refunding Bonds</td>
<td>21</td>
</tr>
<tr>
<td>2.05</td>
<td>Book-Entry-Only System</td>
<td>22</td>
</tr>
</tbody>
</table>

## ARTICLE III

**GENERAL TERMS AND PROVISIONS OF BONDS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.01</td>
<td>Medium of Payment; Form and Date; Letters and Numbers</td>
<td>24</td>
</tr>
<tr>
<td>3.02</td>
<td>Legends</td>
<td>24</td>
</tr>
<tr>
<td>3.03</td>
<td>Execution and Authentication</td>
<td>24</td>
</tr>
<tr>
<td>3.04</td>
<td>Transfer and Registry</td>
<td>25</td>
</tr>
<tr>
<td>3.05</td>
<td>Regulations With Respect to Exchanges and Transfers</td>
<td>25</td>
</tr>
<tr>
<td>3.06</td>
<td>Bonds Mutilated, Destroyed, Stolen or Lost</td>
<td>26</td>
</tr>
<tr>
<td>3.07</td>
<td>Temporary Bonds</td>
<td>26</td>
</tr>
<tr>
<td>3.08</td>
<td>Cancellation and Destruction of Bonds</td>
<td>26</td>
</tr>
</tbody>
</table>

## ARTICLE IV

**REDEMPTION OF BONDS PRIOR TO MATURITY**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.01</td>
<td>Privilege of Redemption and Redemption Price</td>
<td>27</td>
</tr>
<tr>
<td>4.02</td>
<td>Optional and Mandatory Sinking Fund Redemption</td>
<td>27</td>
</tr>
<tr>
<td>4.03</td>
<td>Redemption Otherwise than at I-Bank’s Election or Direction</td>
<td>27</td>
</tr>
<tr>
<td>4.04</td>
<td>Selection of Bonds to Be Redeemed</td>
<td>27</td>
</tr>
<tr>
<td>4.05</td>
<td>Notice of Redemption</td>
<td>27</td>
</tr>
<tr>
<td>4.06</td>
<td>Payment of Redeemed Bonds</td>
<td>28</td>
</tr>
<tr>
<td>4.07</td>
<td>Redemption of Portions of Bonds</td>
<td>28</td>
</tr>
</tbody>
</table>

## ARTICLE V

**REVENUES AND FUNDS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.01</td>
<td>Creation of Funds and Accounts</td>
<td>29</td>
</tr>
</tbody>
</table>

-1-
ARTICLE VI

LOANS

SECTION 6.01 Terms and Conditions of Loans ................................................................. 38
SECTION 6.02 Form of Loan Agreement ........................................................................... 38
SECTION 6.03 Restrictions on Loans ............................................................................... 38
SECTION 6.04 Loan Closing Submissions ......................................................................... 38
SECTION 6.05 I-Bank Bond Loan Repayments ................................................................. 39
SECTION 6.06 Continuing Disclosure ............................................................................... 39

ARTICLE VII

ADDITIONAL PROVISIONS RELATING TO LOANS

SECTION 7.01 Reserved ..................................................................................................... 41
SECTION 7.02 Defaults ....................................................................................................... 41
SECTION 7.03 Termination of Loan Agreements .............................................................. 41
SECTION 7.04 Loan Files .................................................................................................. 41
SECTION 7.05 Trustee’s Obligations .................................................................................. 42

ARTICLE VIII

GENERAL COVENANTS

SECTION 8.01 Payment of Bonds ..................................................................................... 43
SECTION 8.02 Observance and Performance of Duties, Covenants, Obligations and
Agreements; Representations as to Authorization and Validity of Bonds .................. 43
SECTION 8.03 Liens, Encumbrances and Charges .......................................................... 43
SECTION 8.04 Accounts and Audits ................................................................................ 44
SECTION 8.05 Further Assurances .................................................................................. 44
SECTION 8.06 Tax Rebate ................................................................................................ 44
SECTION 8.07 Application of Loan Prepayments ............................................................. 44

ARTICLE IX

DEFAULT PROVISIONS AND REMEDIES
OF TRUSTEE AND BONDHOLDERS

SECTION 9.01 Defaults; Events of Default ....................................................................... 45
SECTION 9.02 Acceleration of Bonds; Remedies ............................................................. 45
SECTION 9.03 Right of Holders of a Series of Bonds to Direct Proceedings .................. 47
SECTION 9.04 Reserved ................................................................. 47
SECTION 9.05 Application of Moneys ........................................... 47
SECTION 9.06 Remedies Vested in Trustee ................................... 47
SECTION 9.07 Rights and Remedies of Holders of Bonds ............ 48
SECTION 9.08 Termination of Proceedings ................................... 48
SECTION 9.09 Waivers of Events of Default ............................... 48
SECTION 9.10 Notice of Certain Defaults; Opportunity of I-Bank to Cure Defaults .... 48

ARTICLE X

FIDUCIARIES

SECTION 10.01 Appointments, Duties, Immunities and Liabilities of Trustee ................. 50
SECTION 10.02 Paying Agents; Appointments ......................................... 50
SECTION 10.03 Responsibilities of Fiduciaries ......................................... 50
SECTION 10.04 Evidence Upon Which Fiduciaries May Act ......................... 51
SECTION 10.05 Compensation ............................................................ 51
SECTION 10.06 Certain Permitted Acts ................................................ 52
SECTION 10.07 Resignation of Trustee ................................................... 52
SECTION 10.08 Removal of Trustee ....................................................... 52
SECTION 10.09 Appointment of Successor Trustee ................................. 53
SECTION 10.10 Transfer of Rights and Property to Successor Trustee ................. 53
SECTION 10.11 Merger or Consolidation ............................................... 54
SECTION 10.12 Adoption of Authentication ........................................... 54
SECTION 10.13 Resignation or Removal of Paying Agent; Appointment of Successor .... 54

ARTICLE XI

AMENDMENTS

SECTION 11.01 Supplemental Indentures Effective Upon Notice to Bondholders .............. 55
SECTION 11.02 Supplemental Indentures Effective Upon Filing of Opinion of Bond Counsel ... 56
SECTION 11.03 Supplemental Indenture Effective With Consent of Bondholders .............. 56
SECTION 11.04 General Provisions ....................................................... 56
SECTION 11.05 Mailing ............................................................... 57
SECTION 11.06 Powers of Amendment by Supplemental Indenture .............................. 57
SECTION 11.07 Consent of Bondholders .............................................. 57
SECTION 11.08 Modifications or Amendments by Unanimous Consent ....................... 58
SECTION 11.09 Exclusion of Bonds ..................................................... 59
SECTION 11.10 Notation on Bonds .................................................... 59
SECTION 11.11 Effect of Supplemental Indenture ....................................... 59
SECTION 11.12 Amendment of Loan Agreements ....................................... 59
SECTION 11.13 Notice of Amendments ................................................. 60

ARTICLE XII

DEFEASANCE

SECTION 12.01 Defeasance of Bonds .................................................... 61
SECTION 12.02 Evidence of Signatures and Ownership of Bonds ......................... 64
SECTION 12.03 Moneys Held for Particular Bonds ....................................... 65
ARTICLE XIII

MISCELLANEOUS

SECTION 13.01 Liability of I-Bank Limited to Trust Estate

SECTION 13.02 Successor Is Deemed Included in All References to Predecessor

SECTION 13.03 Limitation of Rights to Parties

SECTION 13.04 Waiver of Notice

SECTION 13.05 Destruction of Bonds

SECTION 13.06 Severability of Invalid Provisions

SECTION 13.07 Notices

SECTION 13.08 Disqualified Bonds

SECTION 13.09 Funds and Accounts

SECTION 13.10 Waiver of Personal Liability

SECTION 13.11 I-Bank Protected in Acting in Good Faith

SECTION 13.12 Business Days

SECTION 13.13 Counterparts

EXHIBIT A Form of Series 2020A-1 Bond

EXHIBIT B Form of I-Bank Continuing Disclosure Agreement
INDENTURE OF TRUST

This INDENTURE OF TRUST (this “Indenture,” as defined herein), dated May 13, 2020, by and between the NEW JERSEY INFRASTRUCTURE BANK, a public body corporate and politic constituting an instrumentality of the State of New Jersey with corporate succession (the “I-Bank”), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION d/b/a ZIONS BANK, a national banking association, duly organized, validly existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the State of New Jersey, as trustee (together with any successor trustee hereunder and their respective successors and assigns, the “Trustee”).

RECITALS

WHEREAS, 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 of New Jersey (the “State”) (codified at N.J.S.A. 58:11B-1 et seq.), as the same from time to time may be amended and supplemented (the “Act”), (ii) a bond resolution, duly adopted by the Board of Directors (the “Board”) of the I-Bank, and (iii) a financial plan, approved by the Legislature of the State in accordance with Sections 21, 21.1, 22 and 22.1 of the Act, the I-Bank may issue its revenue bonds, from time to time, for the purpose of making loans to qualifying borrowers from the proceeds of its bonds in order to finance a portion of the allowable costs of such borrower’s environmental infrastructure facilities (“Environmental Infrastructure Facilities”) (consisting of Wastewater Treatment Facilities, Stormwater Management Facilities or Water Supply Facilities, as such terms are defined in the rules and regulations, as applicable, now or hereafter promulgated under N.J.A.C. 7:22-3 et seq., 7:22-4 et seq., 7:22-5 et seq., 7:22-6 et seq., 7:22-7 et seq., 7:22-8 et seq., 7:22-9 et seq. and 7:22-10 et seq., as the same from time to time may be amended and supplemented (the “Regulations”)); and

WHEREAS, pursuant to Section 6(c) of the Act, the I-Bank is authorized to enter into a trust indenture providing for the issuance of such bonds and for their payment and security; and

WHEREAS, the I-Bank has determined to issue its $__________ aggregate principal amount of Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds) (the “Series 2020A-1 Bonds”) pursuant to the terms and provisions of the Bond Resolution (as herein defined) and this Indenture; and

WHEREAS, the Trustee has the power to enter into this Indenture and to execute the trusts hereby created and has accepted the trusts so created and in evidence thereof has joined in the execution hereof; and

WHEREAS, all things necessary to make the Bonds (as defined herein), when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the I-Bank according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the amounts assigned and pledged to the payment of the principal of, premium, if any, and interest on the Bonds have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE FURTHER WITNESSETH:
That the I-Bank, in consideration of the promises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the holders and owners thereof, and for good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and to secure the performance and observance by the I-Bank of all of the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, assign and pledge, and grant a security interest in, to the Trustee, and its successors in trust and assigns forever, to the extent provided in this Indenture (capitalized terms used in these granting clauses and not defined herein shall have the meanings ascribed thereto in Section 1.01 hereof):

**GRANTING CLAUSE FIRST**

All rights, title and interest of the I-Bank in, to and under the Loan Agreements, except for the I-Bank’s right, title and interest in the Administrative Fee;

**GRANTING CLAUSE SECOND**

All rights, title and interest of the I-Bank in, to and under the Revenues;

**GRANTING CLAUSE THIRD**

All rights, title and interest of the I-Bank in, to and under all funds, accounts and subaccounts established by this Indenture (other than the Project Loan Accounts in the Project Fund, the Administrative Fee Account and the Costs of Issuance Account in the Operating Expense Fund, and the Rebate Fund), including investments, if any, thereof, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture;

**GRANTING CLAUSE FOURTH**

All other property of any kind, if any, mortgaged, pledged or hypothecated by the I-Bank at any time as and for additional security for the Bonds, or by anyone properly authorized on behalf of the I-Bank or with its written consent, in favor of the Trustee, which is hereby authorized to receive all such property at any time and to hold and apply it subject to the terms hereof;

**TO HAVE AND TO HOLD** all the same with all privileges and appurtenances hereby transferred, pledged, conveyed, assigned and/or granted, or agreed or intended to be, to the Trustee and its assigns in trust forever;

**IN TRUST**, however, on the terms and conditions herein for the equal and proportionate benefit, security and protection of the Bondholders from time to time of the Bonds Outstanding, without preference, priority or distinction as to participation in the lien, benefit and protection of this Indenture of one Bond over or from the others, except as herein otherwise expressly provided. The I-Bank hereby covenants and agrees with the Trustee and with the respective Bondholders, from time to time, of the Bonds as follows:

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ARTICLE I
DEFINITIONS AND RULES OF INTERPRETATION

SECTION 1.01 Definitions. Unless the context otherwise requires, for all purposes of this Indenture, the terms defined in this Section 1.01 shall have the meanings specified below:

“Account” means any account designated and established hereunder.

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

“Administrative Fee” means an annual fee of four-tenths of one percent (.40%) of the initial principal amount of the Loan or such lesser amount, if any, as the I-Bank may approve from time to time, payable by each Borrower in accordance with the terms of its Loan Agreement.

“Administrative Fee Account” means the Account within the Operating Expense Fund so designated and established by Article V hereof.

“Allocable Share” for any Borrower means, with respect to the Net Earnings on all Funds, Accounts and Subaccounts that are subject to transfer and credit in accordance with Sections 5.10(3) and (4) hereof, the percentage as calculated for each such Borrower, which percentage shall be equal to a fraction, the numerator of which shall equal the original principal amount of the Loan for, as the case may be, (i) such Clean Water SRF Borrower, (ii) such Drinking Water SRF Borrower, (iii) such Clean Water non-SRF Borrower or (iv) such Drinking Water non-SRF Borrower, and the denominator of which shall equal (1) the aggregate of the original principal amount of all Loans for, as applicable, (i) all Clean Water SRF Borrowers, (ii) all Drinking Water SRF Borrowers, (iii) all Clean Water non-SRF Borrowers or (iv) all Drinking Water non-SRF Borrowers, less (2) the original principal amount of the Loan for any such Borrower that, as of the date of calculation hereof, no longer has an outstanding Loan. The calculation of the Allocable Share, as provided by the terms hereof, shall be performed by an Authorized Office of the I-Bank, or a designee thereof, (A) on September 2 of a given Bond Year if, since the prior March 1, a Borrower has satisfied in full all of its repayment obligations with respect to its Loan and such Loan, therefore, is no longer outstanding, or (B) March 2 of a given Bond Year if, since the prior September 1, a Borrower has satisfied in full all of its repayment obligations with respect to its Loan and such Loan, therefore, is no longer outstanding. The Allocable Share for each Borrower, calculated as of the date of issuance of the Series 2020A-1 Bonds, and subject to future modification in accordance with the terms hereof, is set forth in Schedule I hereto.

“Allowable Project Cost” means for any Borrower the I-Bank Share as initially defined in Exhibit B to such Borrower’s Loan Agreement.

“Applicable” means (i) with reference to any Fund, Account or Subaccount so designated and established by this Indenture, the Fund, Account or Subaccount so designated and established, (ii) with respect to any Series of Bonds, the Series of Bonds issued for a particular purpose hereunder, and (iii) with respect to any Loan Agreement, the Loan Agreement entered into by and between a Borrower and the I-Bank relating to a borrowing from the I-Bank.

“Authorized Newspapers” means three general newspapers and one financial newspaper, all of which are customarily published at least once a day for at least five days (other than legal holidays) in
each calendar week, printed in the English language and of general circulation, with respect to the general newspapers, in the State of New Jersey, and with respect to the financial newspaper, in the State of New Jersey or the Borough of Manhattan, City and State of New York.

“Authorized Officer” means (i) in the case of the I-Bank, the Chairperson, Vice-Chairperson, Secretary or 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 under this Indenture; the designation of such person or persons shall be evidenced by a written Certificate containing the specimen signature of such person or persons and signed on behalf of the I-Bank by its Chairperson, Vice-Chairperson, Secretary or Executive Director and delivered to the Trustee; (ii) in the case of a Borrower, any person or persons authorized pursuant to a resolution or ordinance of the governing body of the Borrower to perform any act or execute any document; the designation of such person or persons shall be evidenced by a certified copy of such resolution or ordinance delivered to the I-Bank and the Trustee; and (iii) in the case of the Trustee, any person or persons authorized to perform any act or execute any document; the designation of such person or persons shall be evidenced by a written Certificate containing the specimen signature of such person or persons reasonably acceptable to the I-Bank.

“Board” means the Board of Directors of the I-Bank, or if said Board shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the powers and duties granted or imposed by this Indenture shall be given by law.

“Bond” or “Bonds” means one or more, as the case may be, of the Series 2020A-1 Bonds or Refunding Bonds, and all bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10 hereof.

“Bond Counsel” means a law firm, appointed by the I-Bank, having a reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

“Bondholder”, “Holder” or “holder” means any person who shall be the registered owner of a Bond or Bonds.


“Bond Year” means a period of 12 consecutive months beginning on September 1 of any calendar year and ending on August 31 of the immediately succeeding calendar year, except that the first bond year shall be a period commencing on the date of issuance of the initial Series of Bonds hereunder and ending on the next succeeding August 31.

“Borrower” means any Local Government Unit or Private Entity (as such terms are defined in the Regulations) authorized to construct, operate and maintain environmental infrastructure facilities and that has entered into a Loan Agreement with the I-Bank pursuant to which such Borrower will borrow money from the Project Fund that has been funded through the issuance of the Series 2020A-1 Bonds. Borrowers shall include municipal Borrowers and authority Borrowers. The municipal Local Government Unit Borrowers shall consist of: Aberdeen Township (S340869-02, 1330004-001), Bradley Beach Borough (S340472-02), Elizabeth City (S340942-19), Glen Ridge Borough (S340861-04), Hampton Borough (1013001-001), Hoboken City (S340635-06), Little Egg Harbor Township (S344060-02), Long Beach Township (1517001-502), Manchester Township (S340650-08, 1518005-002), Montclair Township (S340837-03, S340837-04), Netcong Borough (1428001-007, 1428001-008,
1428001-009), Newark City (0714001-016), Paulsboro Borough (S340164-01, 0814001-003), Roxbury Township (S340381-07), Ship Bottom Borough (S340311-03, 1528001-002) and Stafford Township (1530004-019). The authority Local Government Unit Borrowers shall consist of: Berkeley Township Municipal Utilities Authority (150504-009), Brick Township Municipal Utilities Authority (1506001-010, 1506001-012), Franklin Township Sewerage Authority (S340839-07), Gloucester County Improvement Authority (S342016-03), Jackson Township Municipal Utilities Authority (1511001-010), Jersey City Municipal Utilities Authority (S340928-15, S340928-20), Lower Township Municipal Utilities Authority (0505002-003), Middlesex County Utilities Authority (S340699-12), North Hudson Sewerage Authority (S340952-22, S340952-23), North Jersey District Water Supply Commission (1613001-022, 1613001-025, 1613001-033), Northwest Bergen County Utilities Authority (S340700-18), Ocean County Utilities Authority (S340372-58), Ocean Township Sewerage Authority (in Monmouth County) (S340750-13, S340750-14), Passaic Valley Sewerage Commissioners (S340689-25, S340689-31, S340689-39), Rahway Valley Sewerage Authority (S340547-15), Rockaway Valley Regional Sewerage Authority (S340821-06-1), Stony Brook Regional Sewerage Authority (S340400-10) and Toms River Municipal Utilities Authority (S340145-06). All of the Borrowers are SRF Borrowers, except the following Borrowers which are non-SRF Borrowers: ______________.

“Borrower’s Project” means the project of the Borrower described in Exhibit A-1 to the Applicable Loan Agreement which constitutes a project for which the I-Bank is permitted to make a loan to the Borrower pursuant to the Act.

“Business Day” means, with respect to the Bonds of any Series, any day other than (i) a Saturday, Sunday or legal holiday or a day on which banking institutions, in the city in which the Principal Office of the I-Bank, the Trustee, the Paying Agent, or the Master Program Trustee is located, are closed, or (ii) a day on which the New York Stock Exchange is closed.

“Capitalized Interest Account” means the Account within the Debt Service Fund so designated and established by Article V hereof.

“Certificate”, “Order”, “Request”, “Requisition” and “Statement” mean, respectively, a written Certificate, order, request, requisition or statement signed in the name of the I-Bank, the Trustee or a Borrower by an Authorized Officer of the I-Bank, the Trustee or such Borrower, respectively. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

“Clearing Account” means the account so designated and established by Section 5.04(1) hereof.

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

“Cost” means those costs that are eligible, reasonable, necessary, allocable to a Borrower’s Project and permitted by generally accepted accounting principles, including Allowances and Building Costs (as defined in the Regulations), as shall be determined on a project-specific basis in accordance with the Regulations.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the I-Bank and related to the authorization, execution, issuance, sale and delivery of each Series of Bonds, including (without limitation) costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, and the Paying Agent, legal fees and charges, fees
and disbursements of financial or other consultants and professionals, fees and charges for preparation, execution and safekeeping of the Bonds of such Series and any other cost, charge or fee in connection with the issuance of such Series of Bonds.

“Costs of Issuance Account” means the Account within the Operating Expense Fund so designated and established by Article V hereof.

“Counsel” means an attorney at law or firm of attorneys at law (who may be, without limitation, of counsel to, or an employee of, the I-Bank, the Trustee, the Paying Agent, the Master Program Trustee or any Borrower) duly admitted to practice law before the highest court of the State of New Jersey, or other United States jurisdiction, or otherwise qualified to practice law in the State of New Jersey or other United States jurisdiction.

“Debt Service Fund” means the fund so designated and established by Article V hereof.

“Default” means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default with respect to the Bonds.

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

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Series 2020A-1 Bonds.

“Event of Default” means any occurrence or event designated as such in Section 9.01.

“Fiduciary” or “Fiduciaries” means the Trustee or the Paying Agent, or both of them, as may be appropriate.

“Fund” means any Fund designated and established hereunder.

“General Fund” means the Fund so designated and established by Article V hereof.

“I-Bank Bond Loan Repayments” means the repayments of the principal amount of a Loan under a Loan Agreement, the payment of any premium associated with prepaying the principal amount of a Loan in accordance with Section 3.07 of any Loan Agreement, plus the payments of the Interest Portion of a Loan under a Loan Agreement.

“Indenture” means this Indenture of Trust, as amended, supplemented, amended and restated, or otherwise modified from time to time.

“Interest Account” means the Account within the Debt Service Fund so designated and established by Article V hereof.

“Interest Payment Date” means each March 1 and September 1 until final maturity of the Bonds, commencing September 1, 2020.

“Interest Portion” means that portion of I-Bank Bond Loan Repayments payable by a Borrower under such Borrower’s Loan Agreement that is necessary to pay any such Borrower’s proportionate share of interest on the Bonds (i) as set forth in Exhibit A-2 of any such Loan Agreement under the column heading entitled “Interest”, or (ii) with respect to any prepayment or acceleration, as the case may be, of I-
Bank Bond Loan Repayments in accordance with Section 3.07 or 5.03 of any such Loan Agreement, to accrue on any principal amount of I-Bank Bond Loan Repayments to the date of the redemption or acceleration, of the Bonds allocable to such prepaid or accelerated I-Bank Bond Loan Repayment.

“Investment Securities” means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the I-Bank’s funds, which securities may be obligations of the Trustee to the extent qualified hereunder:

(a) Obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof which obligations are backed by the full faith and credit of the United States. These include, but are not limited to:

(i) United States Treasury obligations – All direct or fully guaranteed obligations;
(ii) Farmers Home Administration – Certificates of beneficial ownership;
(iii) United States Maritime Administration – Guaranteed Title XI financing;
(iv) Small Business Administration – Guaranteed participation certificates; Guaranteed pool certificates;
(v) Government National Mortgage Association (GNMA) – GNMA-guaranteed mortgage-backed securities; GNMA-guaranteed participation certificates;
(vi) United States Department of Housing & Urban Development – Local authority bonds;
(vii) Washington Metropolitan Area Transit Authority – Guaranteed transit bonds;
(viii) State and Local Government Series; and
(ix) Veterans Administration – Guaranteed REMIC; Pass-through Certificates.

(b) Federal Housing Administration Debentures.

(c) Obligations of the following government-sponsored agencies that are not backed by the full faith and credit of the United States government.

(i) Federal Home Loan Mortgage Corp. (FHLMC) – Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts); Senior debt obligations;
(ii) Farm Credit System (Formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperative) – Consolidated systemwide bonds and notes;
(iii) Federal Home Loan Banks (FHL Banks) – Consolidated debt obligations;
(iv) Federal National Mortgage Association (FNMA) – Senior debt obligations; Mortgage-backed securities (Excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
(v) Student Loan Marketing Association (SLMA) – Senior debt obligations (Excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date); LOC-backed issues;

(vi) Financing Corp. (FICO) – Debt obligations; and

(vii) Resolution Funding Corp. (REFCORP) – Debt obligations.

(d) Federal funds, unsecured certificates of deposit, time deposits, and banker’s acceptances having maturities of not more than 365 days of any bank (including the Trustee), the short-term obligations of which are rated in the highest rating category for short term obligations by at least one Rating Agency.

(e) Deposits that are fully insured by the Federal Deposit Insurance Corp. (FDIC), including Bank Insurance Fund (BIF) and Savings Association Insurance Fund (SAIF). To the extent that such deposits are not insured by FDIC, such deposits shall be fully collateralized by the obligations described in any of paragraphs (a), (b) or (c) of this definition.

(f) (i) Debt obligations rated in the highest rating category for debt obligations by at least one Rating Agency. Excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date.

(ii) Pre-refunded municipal securities rated in the highest rating category for municipal securities by at least one Rating Agency.

(g) Commercial paper or other debt obligations rated in the highest rating category for commercial paper or debt obligations by at least one Rating Agency maturing in not more than 365 days.

(h) Investment in money market funds, with a stable net asset value per share, rated in the highest rating category for money market funds by at least one Rating Agency (including such money markets funds managed by the Trustee or any of its affiliates).

(i) Any of the following stripped securities:

(i) United States Treasury STRIPS;

(ii) REFCORP STRIPS (stripped by the Federal Reserve Bank of New York); and

(iii) Any stripped securities assessed or rated in the highest rating category for stripped securities by at least one Rating Agency.

(j) Repurchase agreements, provided that such repurchase agreements satisfy each of the following requirements:

(i) The counterparty to the repurchase agreement is rated no lower than “Aa” by Moody’s Investors Service, Inc., “AA” by Standard & Poor’s Corporation or “AA” by Fitch Ratings, Inc. (without reference to any gradation within such rating category);

(ii) The weighted average maturity of the repurchase agreement is not longer than the lesser of the estimated average period required to complete construction of the Projects or five years from the date the repurchase agreement is entered into;
(iii) The seller of the repurchase agreement is (A) a bank or trust company or a wholly-owned subsidiary of such bank or trust company which is headquartered in the United States and is a member of the Federal Reserve System or (B) a securities broker which is headquartered in the United States, is registered with the Securities and Exchange Commission, and meets the criteria for issuers of “commercial paper” as specified under N.J.A.C. 17:16-31;

(iv) The collateral for the repurchase agreement consists of obligations of the United States Government or an obligation of the following United States Government agencies:

(A) Federal Farm Credit Banks Consolidated Systemwide Bonds;
(B) Federal Financing Bank;
(C) Federal Home Loan Banks; and
(D) Federal Land Banks;

(v) At the time the repurchase agreement is purchased, the market value of the securities delivered as collateral pursuant to the repurchase agreement is equal to at least 102 percent of the par value of the repurchase agreement; and

(vi) The repurchase agreement shall be purchased pursuant to a competitively bid process.

(k) Such other securities approved by each of the Rating Agencies that would not adversely affect the rating on the Coverage Receiving Trust Bonds then Outstanding.

“Loan” means a loan by the I-Bank to a Borrower, pursuant to a Loan Agreement, to finance or refinance a portion of the Cost of such Borrower’s Project. For all purposes of this Indenture, the principal amount of each Loan shall be the principal amount specified in the applicable bond of a Borrower issued in accordance with the Applicable Loan Agreement.

“Loan Agreement” means a loan agreement that is entered into by and between the I-Bank and a Borrower, pursuant to which a loan is made by the I-Bank to finance, in part, such Borrower’s Project, as such Loan Agreement may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of this Indenture.

“Loan Closing” means the date on which an executed Loan Agreement between the I-Bank and a Borrower is delivered pursuant to this Indenture.

“Loan Repayments” means the sum of (i) I-Bank Bond Loan Repayments, (ii) the Administrative Fee and (iii) any late charges incurred under the provisions of a Loan Agreement.

“Master Program Trust Account” means the account and all subaccounts therein created pursuant to Section 3 of the Master Program Trust Agreement to be held by the Master Program Trustee in trust as additional security for the Holders of the Series 2020A-1 Bonds and all other Coverage Receiving Trust Bonds as defined in the Master Program Trust Agreement.

“Master Program Trust Agreement” means that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the Trust, the State, United States Trust Company of New
York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder, as amended and supplemented by (i) that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2001, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the I-Bank, and (ii) that certain First General Amendment to Master Program Trust Agreement, dated as of September 1, 2006, by and among, the I-Bank, the State, the Master Program Trustee, The Bank of New York, in several capacities thereunder, U.S. Bank National Association, in several capacities thereunder, and Commerce Bank, National Association, as Loan Servicer, as the same may be amended and supplemented from time to time in accordance with its terms.

“Master Program Trustee” means U.S. Bank Trust National Association (as successor to State Street Bank and Trust Company, N.A.), appointed pursuant to Section 2 of the Master Program Trust Agreement, and its successors as may be appointed pursuant to the provisions thereof.

“Net Earnings” means, with respect to any Fund, Account or Subaccount, or any portion thereof, all interest, profits and other income earned and received by the Trustee and the I-Bank, as appropriate, in respect of such Fund, Account, Subaccount or portion thereof, net of (i) any losses suffered, (ii) any fees due to the Trustee, the provider of an Investment Security, or, at the written direction of an Authorized Officer of the I-Bank, the financial advisor or investment advisor to the I-Bank in connection with an Investment Security held in such Fund, Account or Subaccount, and (iii) any amounts required to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service pursuant to any letter of instructions or certificate as to arbitrage.

“Operating Expense Fund” means the Fund so designated and established by Article V hereof.

“Outstanding” or “outstanding” means, when used with reference to Bonds of any Series, as of any particular date (subject to the provisions of Section 13.08), all Bonds of such Series theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture, except (i) Bonds of such Series theretofore or thereupon canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds of such Series with respect to which all liability of the I-Bank shall have been discharged in accordance with Article XII; and (iii) Bonds of such Series in lieu of or in substitution for which other Bonds of such Series shall have been authenticated and delivered by the Trustee pursuant to any provision of this Indenture.

“Paying Agent” means the Paying Agent appointed pursuant to Section 10.02, and its successors.

“Principal Account” means the Account within the Debt Service Fund so designated and established by Article V.

“Principal Office” means, when used with reference to the I-Bank, the Trustee, or the Paying Agent, the respective addresses of such parties as set forth in Section 13.07, and any further or different addresses as such parties may designate pursuant to Section 13.07.

“Project Fund” means the Fund so designated and established by Article V hereof.

“Project Loan Account” means any of the Accounts within the Project Fund so designated and established by Article V.
“Rating Agency” shall mean individually or collectively, as the case may be, the nationally recognized rating agencies that have published ratings for the Series 2020A-1 Bonds.

“Rebate Fund” means the Fund so designated and established by Article V hereof.

“Record Date” means with respect to an Interest Payment Date for a particular Series of Bonds, unless otherwise provided by this Indenture or Supplemental Indenture authorizing such Series, (i) if the Interest Payment Date is scheduled for the first (1st) day of any month, the fifteenth (15th) day (whether or not such day shall be a Business Day) of the month prior to such Interest Payment Date, or (ii) if the Interest Payment Date is scheduled for the fifteenth (15th) day of any month, the first (1st) day (whether or not such day shall be a Business Day) of the month in which such Interest Payment Date occurs.

“Redemption Account” means the Account within the Debt Service Fund so designated and established pursuant to Article V hereof.

“Redemption Price” means, when used with reference to any Bond or any portion thereof, the principal amount of such Bond or such portion thereof and any premium thereon payable upon redemption thereof pursuant to the provisions of such Bond and this Indenture.

“Refunding Bonds” means all Bonds authenticated and delivered pursuant to Section 2.04 hereof.

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

“Revenues” means all (i) Loan Repayments and State Loan Repayments that are held by the Trustee, (ii) payments made to the Trustee by the Master Program Trustee from amounts on deposit in the Master Program Trust Account (and all Subaccounts as defined therein) in accordance with the terms of the Master Program Trust Agreement, and (iii) proceeds derived from the foregoing, including, without limitation, investment income received by the I-Bank on such Loan Repayments and State Loan Repayments; provided, however, that Revenues shall not include payments of the Administrative Fee payable to the I-Bank under Section 3.03 of the Loan Agreements nor any State Administrative Fees included as part of any State Loan Repayment, to the extent any such amounts are credited as Administrative Fees or State Administrative Fees pursuant to Section 5.04(2) hereof.

“Revenue Fund” means the Fund so designated and established by Article V hereof.

“Rule 15c2-12” shall have the meaning ascribed to such term in Section 6.06 hereof.

“SEC” shall have the meaning ascribed to such term in Section 6.06 hereof.

“Series” means all of the Bonds authenticated and delivered on original issuance and identified pursuant to this Indenture or the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

“Series 2020A-1 Bonds” means the $ __________ aggregate principal amount of the I-Bank’s “Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds)” authorized pursuant to Section 2.03 hereof.
“Sinking Fund Installments”, with respect to any Series of Bonds, shall have the meaning, if any, specified in either Section 2.03(6) of this Indenture or the Applicable Supplemental Indenture.

“SRF”, with respect to any Fund, Account or Subaccount established under this Indenture, means that such Fund, Account or Subaccount constitutes part of, and with respect to any Borrower, means a Borrower whose loan will be funded from, either, as applicable and as the case may be, (i) the State Revolving Fund of the State of New Jersey established pursuant to the federal Water Quality Act of 1987, as amended, and (ii) the State Revolving Fund of the State of New Jersey established pursuant to the federal Safe Drinking Water Act, as amended.

“State” means the State of New Jersey, acting by and through the Department.

“State Administrative Fee” means the administrative fee, if any, as the State may approve from time to time, payable by each Borrower in accordance with the terms of its State Loan Agreement.

“State Loan Agreement” means a loan agreement that is entered into by and between the State and a Borrower, pursuant to which a companion zero-interest loan is made by the State to finance, in part, such Borrower’s Project.

“State Loan Repayment” means any payment by a Borrower of the principal due and payable pursuant to its State Loan Agreement.

“Subaccount” means any subaccount designated and established hereunder.

“Supplemental Indenture” means any indenture or indentures of the I-Bank amending, modifying or supplementing this Indenture, authorizing the issuance of a Series of Refunding Bonds, or any other Supplemental Indenture adopted by the I-Bank pursuant to the provisions of this Bond Indenture.

“Tax Certificate”, with respect to the Series 2020A-1 Bonds, means the “Tax Certificate as to Arbitrage and Instructions as to Compliance with the Provisions of Section 103(a) of the Internal Revenue Code of 1986, as Amended,” executed and delivered by an Authorized Officer of the I-Bank on the date of issuance of the Series 2020A-1 Bonds, as the same may be supplemented and amended from time to time.

“Trustee” means Zions Bancorporation, National Association d/b/a Zions Bank, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Indenture.

“Trust Estate” means the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

SECTION 1.02 Rules of Interpretation. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

1. “This Indenture” means this instrument as originally adopted and as it may be supplemented, modified or amended from time to time by any Supplemental Indenture, unless in the case of any one or more Supplemental Indentures the context requires otherwise.

2. All reference in this Indenture to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture. The words “herein”,
“hereof”, “hereunder” and “herewith” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision hereof.

3. The terms defined in this Indenture include the plural as well as the singular.

4. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

5. The table of contents and the headings or captions used in this Indenture are for convenience of reference only and shall not define, limit or prescribe any of the provisions hereof or the scope or intent hereof.

SECTION 1.03 Indenture and Bonds Constitute a Contract. With respect to the Bonds, in consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under this Indenture by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the I-Bank, the Trustee and the Holders, from time to time, of such Bonds. The pledge made hereby is valid and binding from the time when the pledge is made and the Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the I-Bank irrespective of whether such parties have notice thereof. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or give or grant to, any person or entity, other than the I-Bank, the Trustee, the Paying Agent and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the I-Bank shall be for the sole and exclusive benefit of the I-Bank, the Trustee, the Paying Agent and the registered owners of the Bonds.
ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.01 Authorization of Bonds; Designation of Bonds of Series.

1. This Indenture authorizes Bonds of the I-Bank, in the form attached hereto as Exhibit A, to be designated as “Environmental Infrastructure Bonds” which may be issued from time to time in one or more Series. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under this Indenture is not limited except as may hereafter be provided in this Indenture or as may be limited by law.

2. The Bonds may, if and when authorized by the I-Bank pursuant hereto or pursuant to one or more Supplemental Indentures, be issued in one or more Series, and the designation thereof, in addition to the name “Environmental Infrastructure Bonds” shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the I-Bank may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. Neither the State of New Jersey nor any political subdivision thereof, other than the I-Bank, but solely to the extent of the Trust Estate, is obligated to pay the principal or Redemption Price of, or interest on, the Bonds, and neither the faith and credit nor the taxing power of the State, or any political subdivision thereof, is pledged to the payment of the principal or Redemption Price of, or interest on, the Bonds.

SECTION 2.02 General Provisions for Issuance of Bonds.

1. All (but not less than all) of the Bonds of each Series shall be executed by the I-Bank for issuance under this Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the I-Bank or upon its order, but only upon the receipt by the Trustee of:

(a) A fully executed copy of this Indenture, certified by an Authorized Officer of the I-Bank;

(b) In the case of each Series of Refunding Bonds, a copy of the Supplemental Indenture authorizing such Refunding Bonds, certified by an Authorized Officer of the I-Bank, which shall, among other provisions, specify: (i) the authorized principal amount, designation and Series of such Refunding Bonds; (ii) the purposes for which such Series of Bonds is being issued, which shall be the refunding of Bonds as provided in Section 2.04; (iii) the date, and the maturity date or dates, of the Refunding Bonds of such Series, provided that each maturity date shall fall upon September 1; (iv) the interest rate or rates of the Refunding Bonds of such Series and the initial Interest Payment Date therefor, provided that the interest rate shall be identical for all such Refunding Bonds of like maturity; (v) the denominations of, and the manner of dating, numbering and lettering, the Refunding Bonds of such Series, provided that such Refunding Bonds shall be in denominations of $5,000 or any integral multiple thereof as authorized by such Supplemental Indenture; (vi) the Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Refunding Bonds of such Series; (vii) the Redemption Price or Prices, if any, and, subject to Article IV, the redemption terms for the Refunding Bonds of such Series; (viii) the amount and due date of each Sinking Fund Installment, if any, for Refunding Bonds of like maturity of such Series, provided that each
Sinking Fund Installment due date shall fall upon a September 1; (ix) the form of the Refunding Bonds of such Series and of the Trustee’s certificate of authentication, which shall be substantially in the form attached hereto as Exhibit A for the Series 2020A-1 Bonds with such variations, insertions or omissions as are appropriate and not inconsistent therewith; and (x) the provisions for the application of proceeds of such Series of Refunding Bonds;

(c) An opinion of Bond Counsel to the effect that (i) the I-Bank has the power under the Act, as amended to the date of such opinion, to enter and deliver this Indenture, and this Indenture has been duly and lawfully entered and delivered by the I-Bank, is in full force and effect and constitutes the valid and binding agreement of the I-Bank enforceable in accordance with its terms, and no other authorization for this Indenture is required; (ii) this Indenture creates the valid pledge which it purports to create of the Trust Estate, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture; and (iii) the I-Bank is duly authorized and entitled to issue the Bonds of such Series and such Bonds have been duly and validly authorized and issued by the I-Bank, in accordance with law, including the Act, as amended to the date of such opinion, and in accordance with this Indenture, and constitute the valid and binding obligations of the I-Bank as provided in this Indenture, enforceable in accordance with their terms and the terms of this Indenture, and are entitled to the benefits of the Act, as amended to the date of such opinion, and this Indenture. Such opinion may take exception as to the effect of, or for restrictions or limitation or other similar laws affecting creditors’ rights generally and judicial discretion and the valid exercise of the sovereign police powers of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy;

(d) A written order to the Trustee as to the authentication and delivery of such Bonds, signed by an Authorized Officer of the I-Bank;

(e) Reserved;

(f) A fully executed copy of the Master Program Trust Agreement; and

(g) Such further documents, moneys and securities (including, without limitation, the proceeds of the Bonds of each such Series) as are required by the provisions of Sections 2.03, 2.04 or 6.04 or Article XI or any Supplemental Indenture adopted pursuant to Article XI.

2. All the Bonds of each such Series of like maturity shall be identical in all respects, except as to denominations, numbers and letters, and as otherwise established by this Indenture. After the original issuance of Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Sections 4.07 or 11.10.

SECTION 2.03 Series 2020A-1 Bonds.

1. A Series of Bonds entitled to the benefit, protection and security of this Indenture is hereby authorized in the aggregate principal amount of $____________ for the purpose of funding the Loans to be made pursuant to the Loan Agreements. Such Series of Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, “Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds)”.

2. The Series 2020A-1 Bonds shall be dated and shall bear interest from May 13, 2020 until their final maturity thereof, except as otherwise provided in Section 3.01 of this Indenture. The Series 2020A-1 Bonds shall mature on the dates and in the principal amounts, and shall bear interest payable semiannually on March 1 and September 1 in each year, commencing September 1, 2020, until final
maturity (stated or otherwise) thereof, at the respective rates per annum calculated on the basis of twelve 30-day months, shown below:

<table>
<thead>
<tr>
<th>Sept. 1</th>
<th>Amount Maturing ($)</th>
<th>Interest Rate (%)</th>
<th>Sept. 1</th>
<th>Amount Maturing ($)</th>
<th>Interest Rate (%)</th>
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<tbody>
<tr>
<td>2021</td>
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<td>2035</td>
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</tbody>
</table>

3. Individual purchases of the Series 2020A-1 Bonds may be made in the principal amount of $5,000 or any whole multiples of $5,000. The Series 2020A-1 Bonds shall be initially issued in one certificate for each aggregate principal amount of the stated maturity thereof. Unless the I-Bank shall otherwise direct, the Series 2020A-1 Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letter “R” and such other letter as determined by the I-Bank prefixed to the number. Subject to the provisions of this Indenture, the form of the Series 2020A-1 Bonds and the Trustee’s certificate of authentication shall be substantially in the form set forth in Exhibit A.

4. The principal or Redemption Price of the Series 2020A-1 Bonds shall be payable to the Holders thereof upon presentation and surrender thereof at the Principal Office of Zions Bancorporation, National Association d/b/a Zions Bank, as Trustee, or its successors and assigns. The principal or Redemption Price of all Series 2020A-1 Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Trustee or Trustees as permitted by this Indenture. Interest on the Series 2020A-1 Bonds shall be payable by check or draft of the Trustee, mailed or transmitted, respectively, to the Holders thereof as the same appear as of the Record Date on the books of the I-Bank maintained by the Trustee. However, so long as the Series 2020A-1 Bonds are held in book-entry-only form pursuant to Section 2.05 hereof, the provisions of Section 2.05 shall govern the payment of principal or Redemption Price, if any, of, and interest on, the Series 2020A-1 Bonds.

5. The Series 2020A-1 Bonds maturing on or before September 1, [2029] shall not be subject to redemption prior to their respective stated maturity dates. The Series 2020A-1 Bonds maturing on or after September 1, [2030] shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, [2029], at the option of the I-Bank, upon the terms set forth in this subsection and upon notice as provided in Article IV hereof, either in whole or in part, and if in part by lot within any maturity or maturities determined by the I-Bank, on any date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.
6. The Series 2020A-1 Bonds due September 1, 20__ and September 1, 20__ are subject to mandatory sinking fund redemption prior to their respective stated maturities, upon the surrender thereof and through selection by lot by the Trustee and upon the giving of notice as provided in Article IV hereof, by payment of the following “Sinking Fund Installments”, on September 1, in each year set forth below, at a Redemption Price which is equal to 100% of the principal amount thereof plus interest accrued to the redemption date, in the following aggregate principal amounts in the following years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
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<tbody>
<tr>
<td>*</td>
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</table>

* Final maturity

7. The proceeds of the Series 2020A-1 Bonds of $_________ (par amount of the Series 2020A-1 Bonds of $_________ (which includes the good faith deposit of the successful bidder for the Series 2020A-1 Bonds in the amount of $_________), plus net original issue premium of $_________, less underwriter’s discount of $_________) shall be received by the Trustee and applied simultaneously with the delivery of such Series 2020A-1 Bonds as follows:

(a) There shall be deposited (i) in the SRF Subaccount of the Capitalized Interest Account in the Debt Service Fund $0.00, and (ii) in the non-SRF Subaccount of the Capitalized Interest Account in the Debt Service Fund $0.00. No Borrowers are capitalizing interest; therefore, there shall be no deposit to the Capitalized Interest Account in the Debt Service Fund.

(b) There shall be deposited in the Costs of Issuance Account in the Operating Expense Fund an amount equal to $_________, of which $_________ shall be transferred by the Trustee immediately via wire transfer to the account of the I-Bank, in accordance with the wire instructions provided by the I-Bank to the Trustee, for application by the I-Bank to the payment of certain Costs of Issuance incurred in connection with the issuance of the Series 2020A-1 Bonds; $0.00 shall be deposited in the Administrative Fee Account of the Operating Expense Fund;

(c) There shall be deposited in the Rebate Fund an amount equal to $0.00, which shall be deposited in the General Rebate Account;

(d) Reserved;

(e) There shall be deposited in the General Fund $_________, (i) $_________ of which shall be transferred to the SRF Account within the General Fund, $_________ of which shall be deposited in the Clean Water SRF Subaccount and $_________ of which shall be deposited in the Drinking Water SRF Subaccount; and (ii) $_________ of which shall be transferred to the non-SRF Account within the General Fund, $_________ of which shall be deposited in the Clean Water non-SRF Subaccount and $_________ of which shall be deposited in the Drinking Water non-SRF Subaccount;
(f) The remaining balance of the proceeds of the Series 2020A-1 Bonds in the amount of $__________ shall be deposited in the Project Fund on behalf of each Borrower, such aggregate amount to be allocated in each of the individual respective amounts and among each of the individual Project Loan Accounts that are designated below, respectively, as (i) Clean Water SRF Project Loan Accounts, (ii) Drinking Water SRF Project Loan Accounts, (iii) Clean Water non-SRF Project Loan Accounts and (iv) Drinking Water non-SRF Project Loan Accounts. An aggregate of $__________ shall be allocated to the Clean Water SRF Project Loan Accounts; an aggregate of $__________ shall be allocated to the Drinking Water SRF Project Loan Accounts; an aggregate of $__________ shall be allocated to the Clean Water non-SRF Project Loan Accounts; and an aggregate of $__________ shall be allocated to the Drinking Water non-SRF Project Loan Accounts.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]
Clean Water SRF Project Loan Accounts:

Total:

Drinking Water SRF Project Loan Accounts:

Total:

SRF Project Loan Accounts Total:
Clean Water SRF Subaccounts:
Drinking Water SRF Subaccounts:
SRF Account Total:

Clean Water Non-SRF Project Loan Accounts:

Total:

Drinking Water Non-SRF Project Loan Accounts:
Total:

**Non-SRF Project Loan Accounts Total:**

**Clean Water Non-SRF Subaccounts:**

**Drinking Water Non-SRF Subaccounts:**

**Non-SRF Account Total:**

(g) Promptly following the delivery to the Trustee of the proceeds of the Series 2020A-1 Bonds and the deposit thereof by the Trustee as instructed pursuant to the provisions of Section 2.03(7)(a) through (f) hereof, the Chairperson, Executive Director or other Authorized Officer of the I-Bank shall provide to the Trustee a Certificate that shall set forth directions to the Trustee as to the initial disbursement of certain of the proceeds of the Series 2020A-1 Bonds from the various Funds, Accounts and Subaccounts into which such proceeds have been deposited pursuant to the provisions of Section 2.03(7)(a) through (f) hereof.

8. Reserved.

9. Upon the authentication and delivery of the Series 2020A-1 Bonds, the I-Bank shall furnish to the Trustee:

(a) a Certificate of the Chairperson, Executive Director or other Authorized Officer of the I-Bank, pursuant to Section 148 of the Code, setting forth the expectations of the I-Bank on the date of such authentication and delivery as to future events and such certification shall set forth the facts and estimates on which such expectations are based and shall state that to the best of the knowledge and belief of such officer of the I-Bank, the I-Bank’s expectations are reasonable;

(b) an opinion of Bond Counsel to the effect that under existing law (i) interest on the Series 2020A-1 Bonds is excluded from gross income for federal income tax purposes, and (ii) interest on the Series 2020A-1 Bonds and any gain on the sale thereof are excluded from gross income under the New Jersey Gross Income Tax Act; and

(c) an opinion of Counsel to the effect that the I-Bank has the right and power under the Act, as amended, to the date of such opinion, to enter into the Loan Agreements, and the Loan Agreements have been duly and lawfully authorized and executed by the I-Bank, are in full force and effect and are valid and binding upon the I-Bank and enforceable in accordance with their terms, and no other authorization for the Loan Agreements is required; provided, that the opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors’ rights generally and judicial discretion and the valid exercise of the sovereign police powers of the State of New Jersey and of the constitutional powers of the United States of America and may state that no opinion is being rendered
as to the availability of any particular remedy, but that such limitations do not make the rights and remedies of the Bondholders, taken as a whole, inadequate for the practical realization of the benefits of the Loan Agreements.

SECTION 2.04 Refunding Bonds.

1. One or more Series of Refunding Bonds may be issued at any time to refund any Outstanding Bond or Bonds of a particular Series or all of the Bonds of one or more Series. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the funds and accounts under this Indenture required by the provisions of the Supplemental Indenture authorizing such Bonds. Refunding Bonds shall be on a parity with and, except as otherwise provided in the Applicable Supplemental Indenture for such Refunding Bonds, shall be entitled to the same benefit and security of this Indenture including the pledge of the Trust Estate as the Bonds of the Series of Bonds which are being refunded.

2. Refunding Bonds of each Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02) of:

   (a) Instructions to the Trustee, satisfactory to it, to give due notice of redemption, if applicable, of all the Bonds to be refunded on a redemption date or dates specified in such instructions, subject to the provisions of Section 12.01;

   (b) If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 12.01 to the Holders of the Bonds being refunded;

   (c) Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded together with accrued interest on such Bonds to the redemption date or dates, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) qualifying Investment Securities in such principal amounts of such maturities, bearing such interest and otherwise having such terms and qualifications and any moneys as shall be necessary to comply with the provisions of subsection 2 of Section 12.01, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 of Section 12.01;

   (d) A Certificate of an Authorized Officer of the I-Bank demonstrating that the I-Bank Bond Loan Repayments to become due in each Bond Year during which such Refunding Bonds shall be Outstanding shall be sufficient to pay when due the principal or Redemption Price of, and interest on, all Bonds Outstanding upon the authentication and delivery of such Series of Refunding Bonds;

   (e) A verification report of an independent nationally recognized certified public accountant addressed to the I-Bank and the Trustee with respect to the matters set forth in (c) and (d) hereof; and

   (f) In the event that a forward supply contract is employed in connection with the matters set forth in (c) and (d) hereof, (i) the verification report required by (e) hereof shall expressly state that the adequacy of the irrevocable trust described in (c) hereof to accomplish the issuance of Refunding Bonds relies solely on the initial investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the escrow agreement entered into by the I-Bank pursuant to (c) hereof shall provide that in the event of
any discrepancy or differences between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

3. The proceeds, including accrued interest, if any, of the Refunding Bonds of each Series shall be applied simultaneously with the delivery of such Refunding Bonds for the purposes of making deposits, if any, in such Funds and Accounts as shall be provided by the Supplemental Indenture authorizing such Series of Refunding Bonds and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Indenture.

SECTION 2.05 Book-Entry-Only System.

1. Except as provided in subparagraph 3 of this Section 2.05, the registered Holder of all of the Series 2020A-1 Bonds shall be, and the Series 2020A-1 Bonds shall be registered in the name of, Cede & Co. as nominee of DTC. Payment of semiannual interest for any Series 2020A-1 Bond shall be made by wire transfer to the account of Cede & Co. on the Interest Payment Date for the Series 2020A-1 Bonds at the address indicated for Cede & Co. in the registry books of the I-Bank kept by the Trustee.

2. The Series 2020A-1 Bonds shall be issued initially in the form of a separate single fully registered Bond in the amount of the aggregate principal amount of each separate stated maturity of the Series 2020A-1 Bonds. Upon initial issuance, the ownership of each such Series 2020A-1 Bond shall be registered in the registry books of the I-Bank kept by the Trustee in the name of Cede & Co., as nominee of DTC. With respect to Series 2020A-1 Bonds registered in the registry books kept by the Trustee in the name of Cede & Co., as nominee of DTC, the I-Bank and any Fiduciary shall have no responsibility or obligation to any participant or to any beneficial owner of such Series 2020A-1 Bonds. Without limiting the immediately preceding sentence, the I-Bank and any Fiduciary shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any participant with respect to any beneficial ownership interest in the Series 2020A-1 Bonds, (ii) the delivery to any participant, any beneficial owner or any other person, other than DTC, of any notice with respect to the Series 2020A-1 Bonds, including any notice of redemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than DTC, of any amount with respect to the principal or Redemption Price of, or interest on, the Series 2020A-1 Bonds. The I-Bank and any Fiduciary may treat as, and deem DTC to be, the absolute owner of each Series 2020A-1 Bond for the purpose of payment of the principal or Redemption Price of, and interest on, each such Series 2020A-1 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2020A-1 Bonds, for the purpose of registering transfers with respect to such Series 2020A-1 Bonds and for all other purposes whatsoever. The Paying Agent shall pay all principal or Redemption Price of, and interest on, the Series 2020A-1 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the I-Bank’s obligations with respect to the principal or Redemption Price of, and interest on, the Series 2020A-1 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive a Series 2020A-1 Bond evidencing the obligation of the I-Bank to make payments of principal or Redemption Price of, and interest on, the Series 2020A-1 Bonds pursuant to this Indenture.

3. (a) DTC may determine to discontinue providing its services with respect to the Series 2020A-1 Bonds at any time by giving written notice to the I-Bank and the Fiduciaries and discharging its responsibilities with respect thereto under applicable law.

(b) The I-Bank, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2020A-1 Bonds if the I-Bank so determines,
and shall terminate the services of DTC with respect to the Series 2020A-1 Bonds upon receipt by the I-
Bank and the Fiduciaries of written notice from DTC to the effect that DTC has received written notice
from participants having interests, as shown in the records of DTC, in an aggregate principal amount of
not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Series
2020A-1 Bonds to the effect that: (i) DTC is unable to discharge its responsibilities with respect to the
Series 2020A-1 Bonds; or (ii) a continuation of the requirement that all of the Outstanding Series 2020A-
1 Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as
nominee of DTC, is not in the best interest of the beneficial owners of the Series 2020A-1 Bonds.

(c) Upon the termination of the services of DTC with respect to the Series 2020A-1
Bonds pursuant to subsection 2.05(3)(b)(ii) hereof, or upon the discontinuance or termination of the
services of DTC with respect to the Series 2020A-1 Bonds pursuant to subsection 2.05(3)(a) or subsection
2.05(3)(b)(i) hereof after which no substitute securities depository willing to undertake the functions of
DTC hereunder can be found which, in the opinion of the I-Bank, is willing and able to undertake such
functions upon reasonable and customary terms, the Series 2020A-1 Bonds shall no longer be restricted to
being registered in the registration books kept by the Trustee in the name of Cede & Co. as nominee of
DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Series
2020A-1 Bonds shall designate, in accordance with the provisions of Article II hereof.

4. Notwithstanding any other provision of this Indenture to the contrary, so long as any
Series 2020A-1 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with
respect to the principal or Redemption Price of, and interest on, such Series 2020A-1 Bond and all notices
with respect to such Series 2020A-1 Bond shall be made and given, respectively, to DTC as provided in
the representation letter of the I-Bank and the Trustee addressed to DTC with respect to the Series 2020A-
1 Bonds.

5. In connection with any notice or other communication to be provided to Bondholders
pursuant to this Indenture by the I-Bank or the Trustee with respect to any consent or other action to be
taken by Bondholders, the I-Bank or the Trustee, as the case may be, shall establish a record date for such
consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in
advance of such record date to the extent possible.
ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 3.01 Medium of Payment; Form and Date; Letters and Numbers.

1. The Bonds shall be payable, with respect to interest and principal or Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

2. The Bonds of each Series shall be issued only in the form of fully registered Bonds without coupons in denominations of, subject to the denominations required by Section 2.03(3) and 2.05(2) hereof with regard to the initial denominations of the Series 2020A-1 Bonds, $5,000 or any whole multiple thereof. The Bonds of each Series shall be in substantially the form attached hereto as Exhibit A or substantially in the form set forth in the Supplemental Indenture authorizing such Series.

3. Each Bond shall be lettered and numbered as provided in this Indenture or the Supplemental Indenture providing for the issuance of the Series of which such Bond is a part and so as to be distinguished from every other Bond.

   Bonds of each Series issued on the date of original issuance shall be dated and bear interest from the date set forth in this Indenture or the Supplemental Indenture authorizing such Series of Bonds. Bonds of each Series issued after the date of original issuance shall be dated as of the date of authentication thereof by the Trustee. Interest on each Bond shall be payable from the most recent Interest Payment Date next preceding the date of authentication of such Bond to which interest has been paid, unless (i) the date of authentication of such Bond is an Interest Payment Date to which interest has been paid, in which case interest shall be payable from such Interest Payment Date, or (ii) the date of such Bond is prior to the first Interest Payment Date on the Bonds, in which case interest shall be payable from the earliest date on which interest shall have accrued on the Bonds, or (iii) the date of such Bond is between the Record Date and the next succeeding Interest Payment Date, in which case interest shall be payable from such Interest Payment Date.

4. The interest on, and principal or Redemption Price, if any, of, each Series of Bonds shall be payable as provided in this Indenture or Supplemental Indenture relating to such Series of Bonds.

SECTION 3.02 Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, the Act, or otherwise, as may be determined by the I-Bank prior to the authentication and delivery thereof.

SECTION 3.03 Execution and Authentication.

1. The Bonds shall be executed in the name of the I-Bank by the manual or facsimile signature of the Chairperson or other Authorized Officer of the I-Bank, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary or Assistant Secretary or other Authorized Officer of the I-Bank, or in such other manner as may be required or permitted by law. In case any one or more of the Authorized Officers of the I-Bank who shall have signed or sealed any of the Bonds shall cease to be
such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of the I-Bank by such persons who at the time of the execution of such Bonds shall be duly authorized or shall hold the proper office in the I-Bank, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

2. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in this Indenture or in the Supplemental Indenture authorizing such Series of Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Indenture and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the I-Bank shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Indenture and that the Holder thereof is entitled to the benefits of this Indenture.

SECTION 3.04 Transfer and Registry.

1. Each Bond shall be transferable only upon the books of the I-Bank, which shall be kept for that purpose at the Principal Office of the Trustee, by the Holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond the I-Bank shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond.

2. The I-Bank and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the I-Bank as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on, such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the I-Bank nor any Fiduciary shall be affected by any notice to the contrary. The I-Bank agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense (including legal fees), judgment or liability incurred by it, acting in good faith and without negligence under this Indenture, in so treating such Holder, and that such indemnity shall survive the payment of the Bonds and the discharge of this Indenture.

SECTION 3.05 Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the I-Bank shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the I-Bank or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the I-Bank nor the Trustee shall be required (a) to transfer or exchange Bonds for a period beginning on the Record Date preceding an Interest Payment Date for the Bonds and ending on such Interest Payment Date, or for a period of fifteen (15) days (or such lesser period as may be specified in a Supplemental Indenture for a particular Series of Bonds) preceding the date (as determined by the Trustee) of any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called or tendered for redemption.
SECTION 3.06 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the I-Bank shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, maturity and principal amount as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the I-Bank and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the I-Bank and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the I-Bank and the Trustee may prescribe and paying such expenses as the I-Bank and Trustee may incur. All mutilated Bonds so surrendered to the Trustee shall be canceled by it. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the I-Bank, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by, and entitled to equal and proportionate benefits with all other Bonds issued under this Indenture in, any moneys or securities held by the I-Bank or any Fiduciary for the benefit of the Bondholders.

SECTION 3.07 Temporary Bonds.

1. Until the definitive Bonds of any Series are prepared, the I-Bank may execute, in the same manner as is provided in Section 3.03, and upon the request of the I-Bank, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The I-Bank at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Indenture.

2. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

SECTION 3.08 Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Trustee, who shall execute a Certificate of destruction in duplicate by the signature of one of its Authorized Officers describing the Bonds so destroyed, and one executed Certificate shall be filed with the I-Bank and the other executed Certificate shall be retained by the Trustee.

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ARTICLE IV

REDEMPTION OF BONDS PRIOR TO MATURITY

SECTION 4.01 Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to this Indenture shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in this Article IV as may be specified in this Indenture and the Supplemental Indenture authorizing such Series of Bonds. In order to redeem prior to maturity Bonds which are registered in the name of Cede & Co., the Redemption Price plus accrued interest thereon shall be deposited with the Trustee in immediately available funds not later than 11:00 a.m., New York City time, on the redemption date.

SECTION 4.02 Optional and Mandatory Sinking Fund Redemption.

1. The Series 2020A-1 Bonds shall be subject to optional redemption and mandatory sinking fund redemption in accordance with the provisions of this Indenture, including, without limitation, Sections 2.03(5) and (6), respectively, hereof.

2. In the case of any redemption of Bonds at the election or direction of the I-Bank, the I-Bank shall give written notice to the Trustee of its election or direction to so redeem, of the redemption date, and of the principal amounts of the Bonds of each maturity to be redeemed (which maturities and principal amounts thereof to be redeemed shall be determined by the I-Bank in its sole discretion, subject to any limitations with respect thereto contained in this Indenture). Such notice shall be given at least fifty (50) days prior to the redemption date or such shorter period as shall be agreed to in writing by the Trustee. In the event notice of redemption shall have been given as provided in Section 4.05, the I-Bank shall pay or require the Applicable Borrower to pay to the Trustee on or prior to the redemption date an amount in cash which, in addition to other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed.

SECTION 4.03 Redemption Otherwise than at I-Bank’s Election or Direction. Whenever by the terms of this Indenture the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the I-Bank, the Trustee shall select the Bonds to be redeemed, give the notice of redemption as provided in Section 4.05 and pay out of moneys available therefor the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, to the Paying Agent in accordance with the terms of this Article IV and, to the extent applicable, Article V hereof.

SECTION 4.04 Selection of Bonds to Be Redeemed. If less than all of the Bonds of like maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee shall determine; provided, however, that the portion of any Bond of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or an integral multiple thereof, and that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum denomination in which Bonds of such Series are authorized to be outstanding after the redemption date.

SECTION 4.05 Notice of Redemption. When Bonds of a Series have been selected for redemption pursuant to any provision of this Indenture, the Trustee shall give written notice of the
redemption of such Bonds in the name of the I-Bank at the times specified in the second paragraph of this Section, which notice shall set forth: (i) the Series of the Bonds to be redeemed, (ii) the date fixed for redemption, (iii) the Redemption Price to be paid, (iv) that such Bonds will be redeemed at the Principal Office of the Paying Agent, (v) if less than all of such Bonds shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed, (vi) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and (vii) except with respect to a mandatory sinking fund redemption, that such redemption is conditioned upon there being on deposit with the Trustee on the date designated for redemption moneys sufficient for the payment of the Redemption Price and the accrued interest to the redemption date. Such notice shall further state that on the redemption date there shall become due and payable the Redemption Price of all Bonds to be redeemed, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. In case any Bond is to be redeemed in part only, the notice of redemption that relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, the Holder thereof shall be entitled to a new Bond or Bonds of the same Series, bearing interest at the same rate and in aggregate principal amount equal to the unredeemed portion of such Bond.

The notice required to be given by the Trustee pursuant to this Section shall be sent by first class mail to the registered owners of the Bonds to be redeemed, at their addresses as they appear on the Bond registration books of the I-Bank, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date. The failure to give notice of the redemption of any Bond or portion thereof to the registered owner of such Bond as herein provided shall not affect the validity of the proceedings for the redemption of any Bonds for which notice of redemption has been given in accordance with the provisions of this Section.

SECTION 4.06 Payment of Redeemed Bonds. On the date designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such Bonds or such portions thereof on such date and, if upon presentation and surrender moneys for the payment of the Redemption Price and the accrued interest to the redemption date are held in a separate account by the Trustee in trust for the holders of such Bonds, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Bonds or such portions thereof shall cease to be entitled to any benefit or security under this Indenture and the Holders of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof and the accrued interest thereon and, to the extent provided in Section 4.07 hereof, to receive Bonds for any unredeemed portions of Bonds.

SECTION 4.07 Redemption of Portions of Bonds. In case part but not all of an Outstanding Bond shall be selected for redemption, upon presentation and surrender of such Bond to the Paying Agent for payment of the principal amount thereof so called for redemption and accrued interest thereon on or after the redemption date, the I-Bank shall execute and the Trustee shall authenticate and deliver to or upon the order of the registered owner thereof or his attorney or legal representative, without charge therefor, a Bond or Bonds of the same Series bearing interest at the same rate and of any denomination or denominations authorized by this Indenture in aggregate principal amount equal to the unredeemed portion of such Bond.
ARTICLE V
REVENUES AND FUNDS

SECTION 5.01 Creation of Funds and Accounts. The following Funds, separate Accounts within Funds and separate Subaccounts within Accounts shall be established, held and maintained for the Bonds:

1. Debt Service Fund, to be held by the Trustee, which shall consist of an Interest Account, a Capitalized Interest Account, a Principal Account and a Redemption Account, each of which Accounts shall be further subdivided into an SRF Subaccount and a non-SRF Subaccount, each of which Subaccounts shall be further subdivided into a Clean Water Subaccount and a Drinking Water Subaccount;

2. Reserved;

3. General Fund, to be held by the Trustee, which shall consist of an SRF Account and a non-SRF Account to the extent necessary and/or appropriate, each of which Accounts shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate;

4. Operating Expense Fund, to be held by the I-Bank, which shall consist of an Administrative Fee Account and a Costs of Issuance Account;

5. Project Fund, to be held by the Trustee, which shall consist of a separate Project Loan Account established (i) for each Borrower to which a single Loan is to be made from a portion of the proceeds of the Series 2020A-1 Bonds and, if applicable, (ii) for each Loan with respect to any Borrowers that have received two or more Loans from a portion of the proceeds of the Series 2020A-1 Bonds, each of which Project Loan Accounts shall be designated as either a “Clean Water SRF Project Loan Account”, a “Drinking Water SRF Project Loan Account”, a “Clean Water non-SRF Project Loan Account” or a “Drinking Water non-SRF Project Loan Account”, all pursuant to Section 5.02 hereof; provided, however, that, to the extent a single Loan is made by the I-Bank to finance multiple projects, the Trustee shall, upon the direction of an Authorized Officer of the I-Bank, establish Subaccounts within a particular Project Loan Account with respect to each individual project;

6. Revenue Fund, to be held by the Trustee, which shall consist of (i) an I-Bank Bond Loan Repayments Account, consisting of an SRF Subaccount and a non-SRF Subaccount to the extent necessary and/or appropriate, each of which Subaccounts further shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate; and (ii) a State Loan Repayments Account, consisting of an SRF Subaccount and a non-SRF Subaccount to the extent necessary and/or appropriate, each of which Subaccounts further shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate; and

7. Rebate Fund, to be held by the Trustee, which shall consist of a General Rebate Account.

8. Pursuant to a Certificate of an Authorized Officer of the I-Bank, the I-Bank may direct the Trustee to establish additional funds, accounts within funds, and subaccounts within accounts, in the manner set forth in such Certificate.
Each of the Funds, Accounts and Subaccounts created by this Indenture, other than the Operating Expense Fund, the Project Fund and the Rebate Fund (including all Accounts and Subaccounts therein), is hereby pledged to, and charged with, the payment of the principal or Redemption Price of and interest on the Bonds as the same shall become due.

SECTION 5.02 Project Fund.

1. There shall be established within the Project Fund a separate Project Loan Account in favor of each Borrower to which a Loan is to be made pursuant to a Loan Agreement.

2. There shall be deposited into each Project Loan Account from the proceeds of the Series 2020A-1 Bonds the respective amounts set forth in the Certificate of an Authorized Officer of the I-Bank delivered to the Trustee pursuant to Section 2.03(7)(f) hereof, which Certificate shall also designate each such Project Loan Account as either a “Clean Water SRF Project Loan Account”, a “Drinking Water SRF Project Loan Account”, a “Clean Water non-SRF Project Loan Account” or a “Drinking Water non-SRF Project Loan Account”.

3. The Trustee shall make payments from a Project Loan Account for Costs of a Borrower’s Project in the amounts, at the times, in the manner and on the other terms and conditions set forth in this Section 5.02 and in such Borrower’s Loan Agreement. Before any such payment shall be made, the Borrower shall file with the Trustee its requisition therefor, approved by the I-Bank, which requisition shall be on a form as determined from time to time by the Executive Director or other Authorized Officer of the I-Bank. The Trustee shall issue its check for each payment required by such requisition or shall, by interbank transfer or other method of transfer, arrange to make the payment required by such requisition. No disbursement from the respective Project Loan Account shall be made by the Trustee pursuant to the terms hereof unless the Borrower has complied with each provision of Section 3.02 of the respective Loan Agreement, as evidenced by the approval by the I-Bank of the requisition as referenced herein.

4. The I-Bank shall file with the Trustee a Certificate, signed by an Authorized Officer of the I-Bank, with respect to each Project Loan Account directing the Trustee to transfer to the Debt Service Fund (and the appropriate Account and Subaccount therein), to be applied as a credit against and considered as I-Bank Bond Loan Repayments due from the respective Borrower in whose favor any such Project Loan Account was established, all of the moneys remaining in any such Project Loan Account at the following times and upon satisfaction of the following conditions: (A) the I-Bank has approved all requisitions to be paid from any such Project Loan Account that are eligible to be approved under the Regulations; or (B) the occurrence of the Project Loan Account Disbursement Deadline, as such term is defined in the Applicable Borrower’s respective Loan Agreement; provided, however, notwithstanding the provisions hereof to the contrary, the I-Bank shall implement a redemption of Bonds pursuant to the terms of this Indenture to the extent provided by the terms of Section 3.03A of the Applicable Borrower’s respective Loan Agreement. Such Certificate shall (X) state that, as applicable, the proceeds of the Loan have been fully disbursed to the extent allowed by the Regulations, or the Project Loan Account Disbursement Deadline has occurred, and either (Y) set forth a schedule indicating when and how much of the remaining moneys are to be transferred to the Debt Service Fund (and the appropriate Account and Subaccount therein) and applied as a credit against and considered as I-Bank Bond Loan Repayments due from the respective Borrower in whose favor the Project Loan Account was established, or (Z) state that such moneys remaining in such Project Loan Account shall be allocated to the implementation of a redemption of Bonds pursuant to the terms of this Indenture to the extent provided by the terms of Section 3.03A of the Applicable Borrower’s respective Loan Agreement. The Trustee shall transfer from any such Project Loan Account to the appropriate Account within the Debt Service Fund (as determined by the application of clause (X) and clause (Y) or clause (Z), above) and within such Account either the SRF Subaccount or the non-SRF Subaccount, and within such Subaccounts, either the Clean Water...
Subaccount or the Drinking Water Subaccount, as applicable, the amounts identified in any such Certificate of the I-Bank at the times indicated therein.

**SECTION 5.03 Operating Expense Fund.**

1. There shall be established within the Operating Expense Fund a Costs of Issuance Account and an Administrative Fee Account.

2. In addition to the amounts deposited in the Costs of Issuance Account from the proceeds of the Series 2020A-1 Bonds pursuant to Section 2.03(7)(b), there shall be deposited in the Costs of Issuance Account, from the proceeds of each Series of Refunding Bonds, the amounts set forth for deposit therein pursuant to the Supplemental Indentures authorizing the issuance of each such Series of Refunding Bonds.

3. The I-Bank shall make payments from the Costs of Issuance Account and, to the extent necessary, from its funds and accounts not subject to the pledge and lien of this Indenture, in the amounts, at the times, in the manner and on the other terms and conditions as the I-Bank shall determine to be fair and reasonable in the payment of the particular items of the Costs of Issuance relating to the issuance of a particular Series of Bonds and, in the case of the Series 2020A-1 Bonds, in accordance with the provisions of the Tax Certificate. Upon the payment of all Costs of Issuance as evidenced by a Certificate of an Authorized Officer of the I-Bank to such effect, the amounts remaining in the Costs of Issuance Account, if any, shall be transferred as shall be set forth in such Certificate of an Authorized Officer of the I-Bank and, in the case of the Series 2020A-1 Bonds, in accordance with the provisions of the Tax Certificate.

4. The Trustee shall deposit, in the Administrative Fee Account, the Administrative Fees received by the Trustee on behalf of the I-Bank pursuant to the Loan Agreements. The I-Bank shall utilize moneys on deposit in the Administrative Fee Account from time to time to pay the operating expenses of the I-Bank, as well as to pay for any other corporate purposes of the I-Bank that are permitted by the Act; provided, however, that in any Bond Year the moneys on deposit in the Administrative Fee Account shall be applied by the I-Bank in satisfaction of the operating expenses of the I-Bank arising under this Indenture in such Bond Year before such moneys may be applied in satisfaction of either (i) the other operating expenses of the I-Bank arising in such Bond Year or (ii) any other corporate purposes of the I-Bank arising in such Bond Year that are permitted by the Act.

**SECTION 5.04 Revenues.** The Trustee shall, as agent for the I-Bank and the State, perform the following duties and services:

1. The Trustee shall collect from each Borrower all required I-Bank Bond Loan payments, when due, in the amounts and at the times established by the I-Bank in a Certificate of an Authorized Officer of the I-Bank. The I-Bank shall use its best efforts to provide such Certificate to the Trustee no less than sixty (60) days prior to the date on which any such payments are due and payable. In collecting such payments from each Borrower, the Trustee shall rely exclusively upon such Certificate of an Authorized Officer of the I-Bank. To the extent the Trustee deems it necessary or appropriate, the Trustee may, and is hereby authorized to, establish a Clearing Account for the purpose of administering the collection of such payments. The Trustee hereby acknowledges that (a) all amounts so collected shall be collected by the Trustee on behalf of, and for the benefit of, the I-Bank and the State, to the extent of their respective interests therein, (b) in making such collections, the Trustee shall act as an agent for the I-Bank and the State, to the extent of their respective interests therein, (c) all amounts so collected by the Trustee shall be the property of the I-Bank and the State, to the extent of their respective interests therein, and not of the Trustee, (d) all such amounts, when received by the Trustee, shall be deemed to be received
by the I-Bank and the State, to the extent of their respective interests therein, as determined in accordance with paragraph (3) below, and (e) the amounts deemed received by the I-Bank as I-Bank Bond Loan Repayments and by the State as State Loan Repayments pursuant to the terms hereof, immediately upon receipt by the Trustee, shall be deemed to be Revenues, and shall be included in the Trust Estate established and pledged as security for the Bonds under this Indenture.

2. Promptly after collection of each I-Bank Bond Loan Repayment, State Loan Repayment, Administrative Fee payment, State Administrative Fee payment or other required payment from a Borrower, the Trustee shall credit such Borrower with each of the respective sums collected. Moneys received from each Borrower with respect to a particular payment date shall be credited, first, to the payment then due (other than the Administrative Fee payment) under the Loan Agreement, second, to the Administrative Fee payment then due under the Loan Agreement, third, to the payment then due (other than the State Administrative Fee payment, if any) under the State Loan Agreement, and, fourth, to the State Administrative Fee payment, if any, then due under the State Loan Agreement.

3. Promptly after crediting each Borrower pursuant to the order of priority established under paragraph (2) above for the moneys received from each Borrower with respect to a particular payment date, the Trustee shall deposit the sums collected in the accounts established for such payments in the following order of priority of such deposits and the required amounts of such deposits:

(a) First, (i) into the I-Bank Bond Loan Repayments Account within the Revenue Fund established under this Indenture, a sum or sums from moneys credited as I-Bank Bond Loan Repayments equal to the amount required for the next immediate debt service payment date for the Bonds, and (ii) into the State Loan Repayments Account within the Revenue Fund established under this Indenture, all moneys credited as State Loan Repayments;

(b) Upon depositing the required amounts pursuant to paragraph (3)(a) above, into the Administrative Fee Account in the Operating Expense Fund established under this Indenture, all moneys credited as Administrative Fee payments only then due to the I-Bank from each Borrower pursuant to its respective Loan Agreement;

(c) (i) If, upon depositing the required amounts pursuant to paragraphs (3)(a) and (3)(b), above, the amounts on deposit in the I-Bank Bond Loan Repayments Account within the Revenue Fund are not sufficient to make all of the payments due with respect to the Bonds on the next immediate debt service payment date for such Bonds, then the Trustee shall transfer from the State Loan Repayments Account within the Revenue Fund to the I-Bank Bond Loan Repayments Account within the Revenue Fund an amount equal to the difference between the amount on deposit in the I-Bank Bond Loan Repayments Account within the Revenue Fund and the amount required to make all of the payments due on the next immediate debt service payment date for the Bonds;

(ii) If, upon depositing the required amounts pursuant to paragraphs (3)(a) and (3)(b), above, and after giving effect to any transfers required by paragraph 3(c)(i), above, the amounts on deposit in the I-Bank Bond Loan Repayments Account within the Revenue Fund are sufficient to make all of the payments due with respect to the Bonds on such date, then the Trustee shall transfer immediately to the Master Program Trustee for deposit in the Master Program Trust Account from moneys on deposit in the State Loan Repayments Account within the Revenue Fund and credited as State Loan Repayments only corresponding to the next immediate debt service payment date for the Bonds, for deposit and disbursement in accordance with the terms and conditions of the Master Program Trust Agreement;
(d) Upon depositing and/or transferring the required amounts pursuant to paragraphs (3)(a), (3)(b) and (3)(c), above, to the State all moneys credited as State Administrative Fee payments only, if any, then due to the State from each Borrower pursuant to its respective State Loan Agreement; and

(e) Upon depositing the required amounts pursuant to paragraphs (3)(a), (3)(b), (3)(c) and (3)(d), above, into the applicable Account within the Revenue Fund all remaining moneys, if any, credited as Loan Repayments, to be applied in satisfaction of the amounts next required to be disbursed as provided under this paragraph (3) in the sequence and manner established pursuant to this paragraph (3).

In making the deposits required by the provisions of this subsection (3), the Trustee shall rely exclusively upon a Certificate of an Authorized Officer of the I-Bank, which Certificate shall be provided to the Trustee by the I-Bank simultaneously with the provision by the I-Bank to the Trustee of the Certificate required by the provision of subsection (1) of this Section 5.04.

4. If a payment of amounts due under a Loan Agreement or a State Loan Agreement is not received on or before the required payment date, the Trustee shall notify the I-Bank and the State in writing on the first Business Day after such payment date that the payment is past due. Promptly following receipt of such notice from the Trustee, the I-Bank shall notify the Borrower and, if applicable, the trustee under the Borrower Bond Resolution (as such term is defined in the Loan Agreement) in writing that such payment is past due. If a payment is not received from the Borrower within ten days of the date when such payment is due, the Trustee shall promptly notify the I-Bank and the State in writing.

5. The Trustee shall promptly notify the I-Bank, the Borrower and, if applicable, the trustee under the Borrower Bond Resolution in writing on the first Business Day after a payment date if the moneys received from the Borrower pursuant to paragraph (2) of this Section 5.04 with respect to such payment date are insufficient to satisfy in full the I-Bank Bond Loan Repayments and Administrative Fee payments then due under the Loan Agreement. The Trustee shall promptly notify the I-Bank, the State, the Borrower and, if applicable, the trustee under the Borrower Bond Resolution in writing on the first Business Day after a payment date if the moneys received from the Borrower pursuant to paragraph (2) of this Section 5.04 with respect to such payment date are insufficient to satisfy in full the State Loan Repayments and State Administrative Fee payments then due under the State Loan Agreement. The Trustee shall also notify the I-Bank and the State that an I-Bank Bond Loan Repayment deficiency cannot be satisfied from Loan Repayments deposited pursuant to Section 5.04(3)(a) hereof.

6. In connection with the obligation of the Trustee pursuant to subsections (4) and (5) of this Section 5.04 to provide written notice to a trustee under a Borrower Bond Resolution, the I-Bank shall use its best efforts to maintain on file with the Trustee a list of such trustees, with relevant address and contact information included in such list. However, the failure of the I-Bank to provide such list to the Trustee shall not relieve the Trustee of the obligation to provide the written notice to such a trustee pursuant to the provisions of subsections (4) and (5) of this Section 5.04.

SECTION 5.05 Revenue Fund.

1. On or prior to each Interest Payment Date, the Trustee shall transfer from amounts in the SRF Subaccount and the non-SRF Subaccount (and the applicable Subaccounts therein) of the I-Bank Bond Loan Repayments Account within the Revenue Fund to the SRF Subaccount and the non-SRF Subaccount (and the applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund, the amount which, together with the amounts, if any, already on deposit in such Subaccounts of the Interest Account (other than Net Earnings on amounts that have been received in the Interest Account since the immediately preceding Interest Payment Date) and the amounts, if any, on deposit in the Capitalized Interest Account and designated for use on such Interest Payment Date pursuant
to this Indenture or a Supplemental Indenture, is equal in the aggregate to the interest due and payable on
the Bonds on such Interest Payment Date.

2. On or prior to September 1 of each year through and including final maturity of the
Bonds, the Trustee shall transfer from moneys on deposit in the SRF Account and the non-SRF Account
(and the applicable Subaccounts therein) of the I-Bank Bond Loan Repayments Account within the
Revenue Fund to the SRF Subaccount and the non-SRF Subaccount (and the applicable Subaccounts
therein), as applicable, of the Principal Account in the Debt Service Fund the amount which, together
with the amounts, if any, already on deposit in such Subaccounts of the Principal Account (other than Net
Earnings on amounts that have been received in the Principal Account since the immediately preceding
Interest Payment Date), is equal in the aggregate to the principal, including Sinking Fund Installments, if
any, due and payable on the Bonds on such September 1.

3. On or prior to each redemption date, other than a Sinking Fund Installment due date, the
Trustee shall transfer from moneys on deposit in the SRF Account and the non-SRF Account (and the
applicable Subaccounts therein) of the I-Bank Bond Loan Repayments Account within the Revenue Fund
(i) to the SRF Subaccount and the non-SRF Subaccount (and the applicable Subaccounts therein), as
applicable, of the Redemption Account in the Debt Service Fund an amount equal in the aggregate to the
Redemption Price due and payable on all Bonds to be redeemed on such redemption date and (ii) to the
SRF Subaccount and the non-SRF Subaccount (and the applicable Subaccounts therein), as applicable, of
the Interest Account in the Debt Service Fund an amount equal in the aggregate to the interest accrued
and not paid and to accrue on such Bonds to such redemption date. Money received from a Borrower
prior to September 1, 2029 that represents a prepayment of its Loan as allowed pursuant to its respective
Loan Agreement shall be held in the accounts set forth in a Certificate of an Authorized Officer of the I-
Bank prior to September 1, 2029, the first optional redemption date.

4. Reserved.

5. The Trustee shall keep records and accounts with respect to the Revenue Fund. Such
records shall be in such format so that (i) all amounts received by the Trustee from the Borrowers
pursuant to the Loan Agreements can be properly designated, pursuant to Section 5.04 hereof, as interest
or principal payments on the Loans, or other than amounts payable pursuant to the Loan Agreements or
Net Earnings attributable to such amounts, and (ii) all amounts received by the Trustee from the
Borrowers pursuant to the State Loan Agreements can be properly designated, pursuant to Section 5.04
hereof, as State Loan Repayments pursuant to the State Loan Agreements.

SECTION 5.06 Debt Service Fund.

1. On each Interest Payment Date and each redemption date, the Trustee shall withdraw
from the Capitalized Interest Account, if so designated, and the Interest Account in the Debt Service Fund
amounts equal in the aggregate to the interest due on the Bonds on such Interest Payment Date or
redemption date, which moneys shall be paid by the Paying Agent in accordance with Section 3.01
hereof.

2. On the maturity or Sinking Fund Installment due date of any Bonds, the Trustee shall
make available to the Paying Agent from moneys in the Principal Account in the Debt Service Fund an
amount equal to the principal or Redemption Price of the Bonds due on such date, which moneys shall be
applied by the Paying Agent to the payment of such principal or Redemption Price.

3. On each redemption date, other than a Sinking Fund Installment due date, the Trustee
shall make available to the Paying Agent from moneys in the Redemption Account in the Debt Service
Fund an amount equal to the Redemption Price of the Bonds to be redeemed on such redemption date, which moneys shall be applied by the Paying Agent to the payment of such Redemption Price.

SECTION 5.07  Reserved.

SECTION 5.08  General Fund. On the first day of each Bond Year beginning September 1, 2020, the Trustee shall deposit in the SRF Account and non-SRF Account (and the applicable Subaccounts therein), as applicable, of the General Fund all moneys then remaining in the I-Bank Bond Loan Repayments Account within the Revenue Fund except for those moneys identified as credits under Section 5.10 hereof to be transferred to the Interest Account on the second day of such Bond Year; provided, however, that (i) all transfers from the I-Bank Bond Loan Repayments Account within the Revenue Fund required pursuant to subsections (1), (2), (3) and (4) of Section 5.05 shall have been made, and (ii) all funds required to be on deposit in the Revenue Fund pursuant to Section 5.05(2) are on deposit in the Revenue Fund. Moneys on deposit in the General Fund that shall not be required to be transferred to the Interest Account in the Debt Service Fund pursuant to Section 5.10 may be applied by the I-Bank, upon written requisition from the I-Bank to the Trustee, in accordance with the Act and, in the case of proceeds of the Series 2020A-1 Bonds, the Tax Certificate, for any of its corporate purposes. Such requisition shall state that the I-Bank is requesting such moneys pursuant to the provisions of this Section 5.08.

SECTION 5.09  Moneys to Be Held in I-Bank. All moneys required to be deposited with or paid to the Trustee or the Paying Agent for the account of any Fund or Account established pursuant to any provision of this Indenture for the Bonds in accordance with this Indenture, other than the Project Fund, the Operating Expense Fund and the Rebate Fund, shall be held by the Trustee or the Paying Agent, as the case may be, in trust for the Holders of the Bonds and shall constitute part of the Trust Estate while held by the Trustee or the Paying Agent; provided, however, that moneys deposited with and held by the Trustee or the Paying Agent for the redemption of Bonds on or after the redemption date of such Bonds, or for the payment of the Redemption Price of or interest on Bonds on or after the date on which such amounts shall have become due, shall be held and applied solely for the redemption or payment of the Redemption Price of or the payment of the interest on such Bonds.

SECTION 5.10  Investments.

1.  Generally. All moneys in any of the Funds and Accounts created pursuant to this Indenture, other than the Operating Expense Fund and the Accounts established therein, shall be invested by the Trustee as directed by an Authorized Officer of the I-Bank in writing, subject to the further provisions of this Section. The Trustee may conclusively rely upon such written direction of an Authorized Officer of the I-Bank as to any and all investments and as to the compliance of any investments with the procurement and investment policies and procedures of the I-Bank. Moneys in the Operating Expense Fund shall be invested by the I-Bank in accordance with the provisions of this Section.

Moneys in all Funds and Accounts created pursuant to this Indenture shall be invested in Investment Securities, the principal of and interest on which are payable not later than the dates on which it is estimated that such moneys will be required hereunder; provided, however, that the Project Fund and the Project Loan Accounts established therein may be invested in the State of New Jersey Cash Management Fund or other similar common trust fund for which the New Jersey State Treasurer is the custodian, in addition to investment thereof in Investment Securities.

Investment Securities acquired as an investment of moneys in any Fund or Account created pursuant to this Indenture shall be credited to such Fund or Account. For the purpose of
determining the amount in any Fund or Account at any time in accordance with this Indenture, all Investment Securities credited to such Fund or Account shall be valued at the lesser of amortized cost (exclusive of accrued interest) or fair market value.

The Trustee may act as principal or agent in the acquisition or disposition of any Investment Securities. The Trustee shall exercise its best efforts to sell at the best price obtainable, or present for redemption, any Investment Securities to the credit of any Fund or Account created pursuant to this Indenture, other than the Operating Expense Fund and the Rebate Fund (and the respective Accounts therein), whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from such Fund or Account, and the Trustee shall not be liable for any loss resulting from such necessary sale so made of such Investment Securities.

2. Reserved.

3. **Net Earnings on all Funds and Accounts Subject to Transfer and Credit.** (i) All Net Earnings received in the first Bond Year from the investment of moneys in any Fund, Account or Subaccount created hereunder, other than the Operating Expense Fund, the Rebate Fund, the Project Fund, and the respective Accounts established therein, and the Capitalized Interest Account (and the Subaccounts therein) in the Debt Service Fund, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount (and the applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund on September 2, 2020; (ii) all Net Earnings received from September 2 through and including March 1 in any Bond Year thereafter from the investment of moneys in any Fund, Account or Subaccount created pursuant to this Indenture, other than the Funds, Accounts and Subaccounts excepted in (i) above, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount (and the applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund on March 2 of any such Bond Year; and (iii) all Net Earnings received from March 2 through and including September 1 in any Bond Year thereafter from the investment of moneys in any Fund, Account or Subaccount created pursuant to this Indenture, other than the Funds, Accounts and Subaccounts excepted in (i) and (ii) above, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount (and the applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund on September 2 of any such Bond Year.

4. **Specific Borrower Credits.** The Trustee, simultaneously with each transfer contemplated by Section 5.10(3) hereof, shall notify the I-Bank in writing of all such Net Earnings so transferred. Such writings shall set forth the Net Earnings derived from each such Fund, Account or Subaccount created hereunder. The I-Bank will credit the Interest Portion of the immediately succeeding I-Bank Bond Loan Repayment due from a Borrower, and to the extent moneys are available therefor, the principal portion of such I-Bank Bond Loan Repayments, if any, with the Allocable Share of the Net Earnings allocable to said Borrower and notify the Borrower and the Trustee of such credit. The Allocable Share of the Net Earnings allocable to a Borrower shall be the sum of said Borrower’s pro rata share of the Net Earnings derived in accordance with Section 5.10(3) hereof from the SRF or non-SRF Subaccounts or Accounts (and any Subaccounts therein), as applicable, of the Interest Account, the Principal Account and the Redemption Account in the Debt Service Fund, the General Fund and the Revenue Fund (i.e., all Funds, Accounts and Subaccounts created hereunder other than those Funds, Accounts and Subaccounts listed in Section 5.10(3) hereof, the Net Earnings on which are not subject to transfer and credit in favor of Borrower I-Bank Bond Loan Repayments) in any Bond Year commencing on or after September 1, 2020, which pro rata share shall be equal to the product of: (i) such Net Earnings so derived from the SRF or non-SRF Subaccounts and Accounts (and any Subaccounts therein) of such Funds or Accounts, as applicable, and (ii) said Borrower’s Allocable Share.
To the extent that an Authorized Officer of the I-Bank advises the Trustee in writing (which writing may be via electronic mail) that the I-Bank has determined that the aggregate Net Earnings in all Funds, Accounts and Subaccounts allocable to any individual Borrower on a given Interest Payment Date, as calculated by the I-Bank pursuant to this subsection, are less than the lesser of (I) one-twelfth (1/12) of the I-Bank Bond Loan Repayments due from such Borrower during the immediately preceding Bond Year, and (II) $1,000, such Net Earnings shall be retained in the Debt Service Fund, unless directed otherwise by an Authorized Officer of the I-Bank, and shall be credited to the I-Bank Bond Loan Repayment of such Borrower in accordance with this paragraph on the next succeeding Interest Payment Date. Furthermore, to the extent that an Authorized Officer of the I-Bank advises the Trustee in writing (which writing may be via electronic mail), the calculation pursuant to this subsection by the I-Bank of the aggregate Net Earnings in all Funds, Accounts and Subaccounts allocable to any individual Borrower on a given Interest Payment Date need not be performed and, in such case, such Net Earnings shall be retained in the Debt Service Fund, unless directed otherwise by an Authorized Officer of the I-Bank, and shall be credited to the I-Bank Bond Loan Repayment of such Borrowers in accordance with this subsection on the next succeeding Interest Payment Date.

5. **Earnings on Funds and Accounts Not Subject to Transfer and Credit.** All Net Earnings from the investment of moneys in the Project Fund, the Capitalized Interest Account within the Debt Service Fund, the Rebate Fund and the Operating Expense Fund (and each of the respective Accounts and Subaccounts therein) shall be retained in and treated as part of such respective Fund, Accounts and Subaccounts, and applied in accordance with the Sections of this Indenture governing such Funds, Accounts and Subaccounts.

6. **Rebate Fund.** The I-Bank may withdraw and utilize earnings in any Fund, Account or Subaccount, other than the Interest Account and the Principal Account (and the respective Subaccounts therein) in the Debt Service Fund, to pay into the Rebate Fund any amounts desired by the I-Bank or required pursuant to the Code to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service, as outlined in the Tax Certificate or any letter of instructions referred to in Section 8.06(2) hereof; provided, however, that to the extent any such moneys and investment earnings thereon in deposit in the Rebate Fund shall not be needed for such purposes at the times so outlined, all or a portion of such moneys may be transferred by the Trustee to the General Fund upon the Trustee’s receipt of written instructions from an Authorized Officer of the I-Bank to such effect. The Authorized Officer of the I-Bank shall submit to the Trustee a Certificate specifying the Funds, Accounts and/or Subaccounts and the amount of earnings to be withdrawn for such purposes, and the Trustee shall be entitled to rely on each such Certificate in making payments to the I-Bank.
ARTICLE VI

LOANS

SECTION 6.01 Terms and Conditions of Loans. The I-Bank shall make Loans to Borrowers for the purpose of paying a portion of the Costs of the Borrowers’ Projects from moneys available therefor in the applicable Project Loan Accounts in the Project Fund, and shall enter into Loan Agreements, in the manner, on the terms and conditions and upon submission of the documents required by this Article VI, and not otherwise.

SECTION 6.02 Form of Loan Agreement. The Loan Agreements shall be substantially in the form as determined by the I-Bank, with such changes therein as shall be approved by the I-Bank, as evidenced by the execution thereof by an Authorized Officer of the I-Bank; provided, however, that the Loans and the Loan Agreements shall in any event conform in all material respects to the provisions of this Article VI.

SECTION 6.03 Restrictions on Loans. No Loan may be made to reimburse a Borrower for all or a portion of the Cost of a Borrower’s Project, or to refinance indebtedness or reimburse the Borrower for the repayment of indebtedness previously incurred by such Borrower to finance all or a portion of the Cost of such Borrower’s Project, unless the Borrower shall deliver to the I-Bank and the Trustee an opinion of Bond Counsel approved by the I-Bank, in form and substance satisfactory to the I-Bank, to the effect that such reimbursement or refinancing will not adversely affect the exclusion from gross income for federal income tax purposes of interest paid on the Bonds.

SECTION 6.04 Loan Closing Submissions. Prior to or at each Loan Closing of a Loan, the I-Bank and the Trustee shall have received the following documents from the Borrower receiving the Loan, failing the receipt of all of which a Borrower shall not be considered a Borrower for purposes of this Indenture:

(a) an opinion or opinions of the Borrower’s Counsel substantially in the form set forth in Exhibit E to the form of Loan Agreement; provided, however, that the I-Bank may permit variances in such opinion from the form or substance of such Exhibit E, if such variances are not to the material detriment of the interests of the Bondholders;

(b) counterparts of the Loan Agreement executed by the parties thereto designating, among other things, SRF or non-SRF status and any other relevant term contemplated herein;

(c) the bond evidencing the payment obligations of the Borrower under such Loan Agreement, duly executed, authenticated and delivered by such Borrower and endorsed by the I-Bank to the Trustee;

(d) the opinion required by Section 6.03 hereof, if applicable;

(e) copies of the resolutions or ordinances of the governing body of the Borrower authorizing the execution and delivery of such Loan Agreement and bond, certified by an Authorized Officer of the Borrower;
(f) an opinion of Counsel to the I-Bank that the Borrower’s Project constitutes a “Project” within the meaning of the Act and that the financing thereof by the I-Bank is permissible under the Act and Section 6.01 of this Resolution; and

(g) such other certificates, documents, opinions and information as the I-Bank or the Trustee may require.

All opinions and certificates required under this Section shall be dated the date of the Loan Closing and all such opinions shall be addressed, at a minimum, to the I-Bank and the Trustee.

SECTION 6.05 I-Bank Bond Loan Repayments. With respect to the Loans made from the proceeds of any Series of Bonds, the I-Bank shall establish I-Bank Bond Loan Repayments under the Applicable Loan Agreements in such amounts which, together with any amounts available and required to be treated as credits under this Indenture, shall be sufficient to pay the principal of, prepayment premium, if any, and interest on such Series of Bonds as the same become due and payable.

SECTION 6.06 Continuing Disclosure. Prior to each Loan Closing with respect to a Loan, the I-Bank, pursuant to the sole discretion of an Authorized Officer of the I-Bank, in consultation with Bond Counsel, general counsel and other appropriate advisors to the I-Bank, shall determine if any Borrower is a material “obligated person” within the meaning and for the purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 15c2-12”), based upon the following criteria hereby established as the means of satisfying the meaning and purposes of Rule 15c2-12: Borrowers shall be considered to be material “obligated persons” if their remaining Fund Loan (unless defined in this Section 6.06, capitalized terms not defined in this Indenture and used in this Section 6.06 shall have the respective meanings ascribed to such terms in the Master Program Trust Agreement) repayments in all Coverage Providing Financing Programs, when aggregated with such Borrower’s I-Bank Loan repayments, if any, in respect of the Bonds, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs, and (ii) the aggregate of all remaining I-Bank Loan repayments from all Borrowers.

To the extent any Borrowers that have been determined to be material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 have entered into Service Agreements with Underlying Government Units and if any such Underlying Government Units have entered into Service Agreements with Indirect Underlying Government Units (as such terms are defined in the Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materially secure the I-Bank Bond Loan Repayments of any such Borrowers, any such Underlying Government Unit and Indirect Underlying Government Unit shall also be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12.

Any Borrower determined to be a material “obligated person” based upon the criteria set forth herein shall be required to enter into a Continuing Disclosure Agreement, with a term as specified therein, by and among such Borrower, the I-Bank and the Trustee, substantially in the form attached as Exhibit H to such Borrower’s Loan Agreement, with such changes therein as shall be approved by the I-Bank, as evidenced by the execution thereof by an Authorized Officer of the I-Bank.

The I-Bank hereby determines that it is not an “obligated person”. Nevertheless, the I-Bank hereby covenants to provide notice of Bond Disclosure Events (as defined in the Continuing Disclosure Agreement), if material, with respect to the Series 2020A-1 Bonds to each Nationally Recognized
Municipal Securities Information Repository recognized by the SEC or to the Municipal Securities Rulemaking Board and the State Information Depository, if any, recognized by the SEC.

The I-Bank hereby determines that the Series 2020A-1 Financing Program relating to the Series 2020A-1 Bonds is an “obligated person”, and shall be required to enter into a Continuing Disclosure Agreement, with a term as specified therein, by and among the I-Bank, the Trustee and the Master Program Trustee, substantially in the form attached hereto as Exhibit B, with such changes therein as shall be approved by the I-Bank, as evidenced by the execution thereof by an Authorized Officer of the I-Bank.

Notwithstanding any provision to the contrary in Article XI hereof, the I-Bank may amend or supplement this Section 6.06 to comply with any amendment, supplement, modification, termination or other change to Rule 15c2-12.

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ARTICLE VII

ADDITIONAL PROVISIONS RELATING TO LOANS

SECTION 7.01 Reserved.

SECTION 7.02 Defaults. The Trustee shall notify the I-Bank of its failure to receive any I-Bank Bond Loan Repayment, if any, of a Borrower due under any Loan Agreement and of any other event of default under such Loan Agreement known to the Trustee.

The Trustee shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms and conditions of all Loan Agreements, including (without limitation) the prompt payment of all I-Bank Bond Loan Repayments and all other amounts due the I-Bank, and the observance and performance of all duties, covenants, obligations and agreements, thereunder, provided, however, that the Trustee shall not accelerate the payment of amounts due under any Loan Agreement following any event of default thereunder (other than any event of default which shall automatically accelerate such payment under the Loan Agreements), unless the Trustee shall have given the I-Bank thirty (30) days’ written notice of the occurrence of such event of default and shall have afforded the I-Bank the opportunity to cause such event of default to be cured during the 30-day period following receipt by the I-Bank of such notice.

The Trustee shall not release the duties, covenants, obligations or agreements of any Borrower under any Loan Agreement and shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the I-Bank and the Holders under or with respect to each Loan Agreement; provided, however, that this provision shall not be construed to prevent the Trustee (with the written consent of the I-Bank) from settling a default under any Loan Agreement on such terms as the Trustee shall determine to be in the best interests of the I-Bank and the Holders. The I-Bank hereby appoints the Trustee its agent and attorney-in-fact for purposes of enforcing all rights, title and interests of the I-Bank under the Loan Agreements, except for the enforcement of all rights, title and interests of the I-Bank relating to the payment by the Borrower of the Administrative Fee and otherwise, subject to the provisions of this Section.

SECTION 7.03 Termination of Loan Agreements. Upon the payment in full of all amounts due under a Loan Agreement, the I-Bank shall cancel the obligation of the Borrower evidenced by such Loan Agreement and terminate and release all security interests and liens created under such Loan Agreement and the I-Bank and the Trustee shall take any other action required of the I-Bank or the Trustee in such Loan Agreement in connection with such cancellation, termination and release, including (without limitation) the execution of all relevant documents in connection with such actions.

SECTION 7.04 Loan Files. After each Loan Closing, the Trustee shall retain all the documents received by it pursuant to Article VI hereof in connection with such Loan Closing or in connection with the Loan made at such Loan Closing in a file pertaining to such Loan, to which file the Trustee shall from time to time add (i) all records and other documents pertaining to disbursements of amounts to the Borrower under the Loan Agreement and to Loan Repayments and other amounts received by the Trustee under such Loan Agreement and (ii) all communications from or received by the Trustee with respect to such Loan. Such file shall be kept at the Principal Office of the Trustee and shall be available for inspection by the I-Bank and its agents at reasonable times and under reasonable circumstances.
SECTION 7.05 Trustee’s Obligations. The Trustee shall observe and perform all duties, covenants, obligations and agreements of the I-Bank under each Loan Agreement to the extent specified herein.
ARTICLE VIII

GENERAL COVENANTS

SECTION 8.01 Payment of Bonds. The I-Bank shall pay or cause to be paid the principal or Redemption Price of and interest on every Bond of each Series on the date, at the place and in the manner provided herein, in the Applicable Supplemental Indenture and in such Bonds, according to the true intent and meaning thereof; provided, however, that the Bonds of each Series are special obligations of the I-Bank, the principal or Redemption Price of and interest on which are payable by the I-Bank solely from the Trust Estate.

The Bonds of each Series shall not be payable from the general funds of the I-Bank and shall not constitute a legal or equitable pledge of, or lien or encumbrance upon, any of the assets or property of the I-Bank or upon any of its income, receipts or revenues, except as provided in this Indenture. The full faith and credit of the I-Bank are not pledged, either expressly or by implication, to the payment of the Bonds. The I-Bank has no taxing power and has no claim on any revenues or receipts of the State of New Jersey or any agency or political subdivision thereof or any Borrower except as expressly provided in a Borrower’s Loan Agreement.

SECTION 8.02 Observance and Performance of Duties, Covenants, Obligations and Agreements; Representations as to Authorization and Validity of Bonds. The I-Bank shall faithfully observe and perform at all times all of its duties, covenants, obligations and agreements contained in the Loan Agreements or in any Bond executed, authenticated and delivered under this Indenture and any Supplemental Indenture or in any proceedings of the I-Bank pertaining thereto.

The I-Bank represents and covenants that: (i) it is duly authorized under the Constitution and laws of the State of New Jersey, particularly the Act, to issue the Bonds of each Series, to enter into the Loan Agreements and the Master Program Trust Agreement and to pledge the Trust Estate in the manner and to the extent set forth in this Indenture and as shall be set forth in any Supplemental Indenture; (ii) all action on its part for the issuance of the Bonds of each Series will be duly and effectively taken; and (iii) the Bonds of each Series in the hands of the Holders thereof will be valid and binding special obligations of the I-Bank enforceable according to their terms.

SECTION 8.03 Liens, Encumbrances and Charges. The I-Bank shall not create or cause to be created and shall not suffer to exist, any lien, encumbrance or charge upon the Trust Estate except the pledge, lien and charge created for the security of Holders of the Bonds. To the extent Revenues are received, the I-Bank will cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands that if unpaid might by law become a lien upon the Trust Estate; provided, however, that nothing contained in this Section shall require the I-Bank to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

So long as Bonds of any Series shall be Outstanding, the I-Bank shall not issue any bonds, notes or other evidences of indebtedness, other than such Bonds, secured by any pledge of or other lien or charge on the Trust Estate. Notwithstanding the foregoing, the I-Bank may issue future series of bonds, notes or other evidences of indebtedness that have an interest in the Master Program Trust Account to the extent set forth in the Master Program Trust Agreement. Nothing in this Indenture is intended to or shall affect the right of the I-Bank to issue bonds, notes and other obligations under other resolutions or indentures for any of its other purposes.
SECTION 8.04 Accounts and Audits. The I-Bank shall keep, or cause to be kept, proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Loans, this Indenture and any Supplemental Indenture, which books and accounts (at reasonable hours and subject to the reasonable rules and regulations of the I-Bank) shall be subject to the inspection of the Trustee and any Holder of any Bonds or their agents or representatives duly authorized in writing. The I-Bank shall cause such books and accounts to be audited annually by an independent certified public accountant selected by the I-Bank. Annually, not later than December 1 of each year with respect to the fiscal year of the I-Bank ended on the immediately preceding June 30, a signed copy of such report shall be furnished by the I-Bank to the Trustee or otherwise be made available. Such report shall include at least: (i) a statement of all funds and accounts (including investments thereof) held by the Master Program Trustee pursuant to the provisions of the Master Program Trust Agreement; and (ii) a statement of the Revenues, Administrative Fees and State Administrative Fees collected in connection with this Indenture. The Trustee has no obligation to review the contents of such report, shall not be deemed to have knowledge of its contents, and shall receive and hold such report solely for the convenience of the Holders.

SECTION 8.05 Further Assurances. The I-Bank will pass, make, do, execute, acknowledge and deliver any and all such further resolutions, indentures, actions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Holders of Bonds the rights and benefits provided in this Indenture, including exercising its State aid intercept powers pursuant to the Act.

SECTION 8.06 Tax Rebate.

1. In connection with the issuance of any Series of Bonds an Authorized Officer of the I-Bank is authorized to execute on behalf of the I-Bank a Certificate as to arbitrage (including the Tax Certificate), a letter of instructions as to certain requirements of the Code, or any similar documents relating to the characterization of such Series of Bonds as not being “arbitrage bonds” within the meaning of Sections 103(a)(2) and 148 of the Code.

2. Any amounts required to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service pursuant to any letter of instructions or certificate as to arbitrage shall be considered a loss for purposes of determining “Net Earnings” pursuant to Section 5.10 hereof.

SECTION 8.07 Application of Loan Prepayments. Upon the prepayment, in whole or in part, of any Loan, the I-Bank shall elect to apply such prepayment proceeds either (i) to the redemption of Bonds on the next succeeding call date in accordance with Article IV, or (ii) to the payment of Bonds in accordance with Section 12.01. The I-Bank may only consent to Loan prepayments pursuant to the Loan Agreements if it simultaneously delivers to the Trustee (i) a certificate of an independent public accountant demonstrating that the aggregate I-Bank Bond Loan Repayments due pursuant to the Loan Agreements after such prepayment shall be sufficient to pay when due the principal of and interest on all Bonds outstanding after giving effect to the I-Bank’s election required in the immediately preceding sentence, and (ii) irrevocable instructions to effectuate such election regarding the application of prepayment proceeds. The I-Bank shall give notice to Fitch Ratings, Inc., Standard & Poor’s Corporation and Moody’s Investors Service, Inc. of any such Loan prepayments and its application of the proceeds thereof. The posting of any such notice to the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board shall constitute notice to Fitch Ratings, Inc., Standard & Poor’s Corporation and Moody’s Investors Service, Inc. for purposes of this paragraph.

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ARTICLE IX
DEFAULT PROVISIONS AND REMEDIES
OF TRUSTEE AND BONDHOLDERS

SECTION 9.01  Defaults; Events of Default.  If any of the following events occurs, it is hereby defined as and declared to be and to constitute an “Event of Default” for the Bonds of all Series then Outstanding:

(a) default in the due and punctual payment of any interest on any Bond; or

(b) default in the due and punctual payment of the principal or Redemption Price of any Bond whether at the stated maturity thereof or on any date fixed for the redemption of such Bond; or

(c) if (i) the I-Bank shall be adjudicated a bankrupt or become subject to an order for relief under federal bankruptcy law, (ii) the I-Bank shall institute a proceeding seeking an order for relief under federal bankruptcy law or seeking to be adjudicated a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or all of its debts under New Jersey bankruptcy or insolvency law, (iii) with the consent of the I-Bank, there shall be appointed a receiver, liquidator or similar official for the I-Bank under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or (iv) without the application, approval or consent of the I-Bank, a receiver, trustee, liquidator or similar official shall be appointed for the I-Bank under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or a proceeding described in clause (ii) above shall be instituted against the I-Bank and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) consecutive days; or

(d) if (i) the I-Bank shall make an assignment for the benefit of creditors, (ii) the I-Bank shall apply for or seek the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (iii) the I-Bank shall fail to file an answer or other pleading denying the material allegations of any proceeding filed against it described under clause (ii) of paragraph (c) of this Section, (iv) the I-Bank shall take any action to authorize or implement any of the actions set forth in paragraph (c) or (d) of this Section, (v) the I-Bank shall fail to contest in good faith any appointment or proceeding described in paragraph (c) or (d) of this Section or (vi) without the application, or approval or consent of the I-Bank, a receiver, trustee, examiner, liquidator or similar official shall be appointed for any substantial part of the I-Bank’s property and such appointment shall continue undischarged or such proceedings shall continue undismissed or unstayed for a period of sixty (60) consecutive days; or

(e) the I-Bank shall default in the performance or observance of any other of the duties, covenants, obligations, agreements or conditions on the part of the I-Bank to be performed or observed under this Indenture or the Bonds of each Series, which default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall be given to the I-Bank by the Trustee or the Bondholders in accordance with Section 9.10 hereof.

SECTION 9.02  Acceleration of Bonds; Remedies.  If an Event of Default described in Section 9.01 shall occur for any Series of Bonds, the Trustee may, and at the written request of the Holders of a majority in aggregate principal amount of the Outstanding Bonds shall, by telephonic notice to the I-Bank (promptly confirmed in writing) declare the principal of all Bonds then Outstanding to be due and payable; provided, however, that before making such declaration, the Trustee shall give thirty
(30) days’ notice to the I-Bank. Upon any such declaration, the Trustee shall forthwith give notice thereof to the Borrowers and the Paying Agents.

At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy under this Indenture, the Trustee, by written notice to the I-Bank, may annul such declaration and its consequences if: (i) moneys shall have accumulated in the Interest Account and the Principal Account in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last Interest Payment Date) and the principal then due on all Bonds (except the principal on any such Bonds due solely as a result of any such declaration of acceleration); (ii) moneys shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; and (iii) every other default known to the Trustee in the observance or performance of any duty, covenant, obligation, condition or agreement contained in the Bonds or in this Indenture, shall have been remedied to the satisfaction of the Trustee; provided, however, that such declaration may be annulled only with the written consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding and not then due by their terms. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Upon the occurrence of an Event of Default, the Trustee shall also have the following rights and remedies:

(a) the Trustee shall, at the direction of the Holders of a majority in aggregate principal amount of the Outstanding Bonds, and upon being indemnified to its reasonable satisfaction, pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on the Bonds then Outstanding, including (without limitation) the right (to the extent legally enforceable) to, by written notice to the I-Bank, declare the principal of the bonds then outstanding to be due and payable of any Borrower whose actions have directly or indirectly caused any such Event of Default and including the enforcement of any other rights of the I-Bank or the Trustee under the Loan Agreements;

(b) the Trustee by action or suit in equity may require the I-Bank to account as if it were the trustee of an express trust for the Holders of Bonds and may take such action with respect to the Loan Agreements as the Trustee deems necessary or appropriate and in the best interest of the Holders of Bonds, subject to the terms of such Loan Agreements; and

(c) upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Holders of Bonds under this Indenture, the Trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate and the issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

If an Event of Default shall have occurred with respect to any Bonds, and if requested so to do by the Holders of a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to its reasonable satisfaction therefor, the Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by this Section as the Trustee shall deem most expedient in the interests of the Holders of Bonds.

No right or remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Holders of Bonds) is intended to be exclusive of any other right or remedy, but each and every such
right or remedy shall be cumulative and shall be in addition to any other right or remedy given to Trustee or to such Holders hereunder or now or hereafter existing at law or in equity or by statute other than pursuant to the Act. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Holders of any Bonds in default, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

SECTION 9.03 Right of Holders of a Series of Bonds to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, but subject to Section 9.07 hereof, the Holders of a majority in aggregate principal amount of Bonds in default then Outstanding shall have the right at any time during the continuance of an Event of Default of such Bonds, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

SECTION 9.04 Reserved.

SECTION 9.05 Application of Moneys. All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions of this Article upon any acceleration of the due date for the payment of the principal of and interest on the Bonds in default (including, without limitation, moneys received by virtue of action taken under provisions of any Loan Agreement, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee (including reasonable attorney fees) and any other moneys owed to the Trustee in connection with such Bonds hereunder), shall be applied, first, to the payment of the interest then due and unpaid upon the Bonds in default and, second, to the payment of the principal then due and unpaid upon the Bonds in default, to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond in default until such obligation shall be presented to the Trustee for appropriate endorsement or for cancellation (as the case may be).

SECTION 9.06 Remedies Vested in Trustee. All rights of action (including, without limitation, the right to file proofs of claims) under this Indenture or under any of the Bonds in default may be enforced by the Trustee without possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought
in its name as Trustee for the equal and ratable benefit of the Holders of all the Outstanding Bonds without the necessary of joining as plaintiffs or defendants any Holders of such Bonds.

**SECTION 9.07 Rights and Remedies of Holders of Bonds.** No Holder of Bonds then Outstanding in default shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) an Event of Default shall have occurred, (b) the owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) the Holders shall have offered to the Trustee reasonable indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused, or for sixty (60) days after receipt of such request and offer of indemnification shall have failed to exercise the remedies hereinbefore granted, or to institute such action, suit or proceeding in its own name, and such request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder. It is understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Holders of all Bonds then Outstanding; provided, however, that nothing contained in this Indenture shall affect or impair the right of the Holder of any Bond to enforce the payment of the principal or Redemption Price of and interest on such Bond at and after the maturity thereof, or the obligation of the I-Bank to pay the principal or Redemption Price of and interest on each of the Bonds issued hereunder to the respective Holders thereof at the time and place, from the source and in the manner expressed in the Bonds and in this Indenture and the Applicable Supplemental Indenture.

**SECTION 9.08 Termination of Proceedings.** In case the Trustee or a Holder of a Bond in default shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or such Holder, then and in every such case the I-Bank, the Trustee and the Holders of Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee and the Holders shall continue as if no such proceedings have been taken.

**SECTION 9.09 Waivers of Events of Default.** The Trustee may and, upon the written request of the Holders of not less than 25% in aggregate principal amount of all Bonds in default then Outstanding, shall waive any Event of Default which in its opinion shall have been remedied before the completion of the enforcement of any remedy under this Indenture; but no such waiver shall extend to any subsequent or other Event of Default, or impair any rights consequent thereon.

**SECTION 9.10 Notice of Certain Defaults; Opportunity of I-Bank to Cure Defaults.** Anything herein to the contrary notwithstanding, no Default under Section 9.01(e) hereof shall constitute an Event of Default until actual notice of such Default shall be given to the I-Bank by registered or certified mail by the Trustee or by the Holders of a majority in aggregate principal amount of all Bonds then Outstanding and the I-Bank shall not have corrected the Default or caused the Default to be corrected within thirty (30) days following the giving of such notice; provided, however, that if the Default be such that it is correctable but cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the I-Bank within the applicable period and diligently pursued until the Default is corrected.
The I-Bank hereby grants to the Trustee full authority for the account of the I-Bank to observe or perform any duty, covenant, obligation or agreement alleged in any alleged Default concerning which notice is given to the I-Bank under the provisions of this Section in the name and stead of the I-Bank with full power to do any and all things and acts to the same extent that the I-Bank could do and perform any such things and acts and with power of substitution.

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ARTICLE X

FIDUCIARIES

SECTION 10.01 Appointments, Duties, Immunities and Liabilities of Trustee. The Trustee is hereby appointed and does hereby accept and agree to execute the trusts created under this Indenture and all other agreements with the I-Bank, including, without limitation, the Master Program Trust Agreement, but only upon the additional terms set forth in this Article, to all of which the Bondholders agree by their acceptance of delivery of any of the Bonds. The obligations and duties of the Trustee shall be determined solely by reference to this Indenture and all other agreements with the I-Bank, including, without limitation, the Master Program Trust Agreement.

SECTION 10.02 Paying Agents; Appointments.

1. The Trustee is hereby appointed Paying Agent and shall also act as registrar for the Series 2020A-1 Bonds. The I-Bank shall appoint one or more Paying Agents for the Bonds of each additional Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 10.13 for a successor Paying Agent. There shall be no limitation upon the ability of the I-Bank to appoint the Trustee to serve as a Paying Agent, provided that the Trustee otherwise satisfies the qualifications set forth herein (including, without limitation and as applicable, the qualifications set forth in Section 10.13 for a successor Paying Agent) that are applicable to a Paying Agent.

2. The Trustee hereby accepts its appointment as Paying Agent and as registrar for the Series 2020A-1 Bonds.

3. Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the I-Bank for the payment of the interest on and principal or Redeption Price of the Bonds.

4. The I-Bank may enter into agreements with any Paying Agent providing for the payment to the I-Bank of amounts in respect of interest earned on moneys held by such Paying Agent for the payment of principal or Redemption Price of and interest on Bonds. Any such payments to the I-Bank shall be deposited in the I-Bank Bond Loan Repayments Account within the Revenue Fund and applied as Revenues.

SECTION 10.03 Responsibilities of Fiduciaries.

1. The recitals of fact contained herein and in the Bonds shall be taken as the statements of the I-Bank and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representation as to the validity or sufficiency of this Indenture or of any Bonds issued thereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its authentication certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the I-Bank or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of subsection 2 of this Section 10.03, no
Fiduciary shall be liable in connection with the observance and performance of its duties and obligations hereunder except for its own negligence or misconduct.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and obligations and only such duties and obligations as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers invested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 10.03.

SECTION 10.04 Evidence Upon Which Fiduciaries May Act.

1. Each Fiduciary, upon receipt of any notice, Supplemental Indenture, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Indenture, shall examine such instrument to determine whether it conforms to the requirements of this Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with Counsel, who may or may not be counsel to the I-Bank, and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Indenture in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of an Authorized Officer of the I-Bank, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

3. Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the I-Bank to any Fiduciary shall be sufficiently executed in the name of the I-Bank by an Authorized Officer of the I-Bank.

SECTION 10.05 Compensation. The I-Bank shall pay each Fiduciary from time to time reasonable compensation for all services rendered under this Indenture, including in that limitation the services rendered pursuant to Section 12.01, and also all reasonable expenses incurred in and about the performance of their powers and duties under this Indenture and each Fiduciary shall have a lien therefor on any and all funds and accounts at any time held by it under this Indenture, other than the Project Loan Account in the Project Fund. Subject to the provisions of Section 10.03, the I-Bank further agrees to indemnify and save each Fiduciary harmless against any losses, liabilities and expenses (including reasonable legal fees) which it may incur in the exercise and performance of its powers, duties and obligations hereunder, other than losses, liabilities and expenses (including legal fees) attributable to the negligence, bad faith, breach of contract or misconduct of the Fiduciary, arising out of or as a result of the Fiduciary performing its obligations under this Indenture or undertaking any transaction contemplated by this Indenture; provided, however, that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 et seq. and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.
Each Fiduciary agrees as follows:

1. The Fiduciary shall give the I-Bank prompt notice in writing of any actual or potential claim described above and the institution of any suit or action;

2. The Fiduciary shall not adjust, settle or compromise any such claim, suit or action without the approval of I-Bank; and

3. The Fiduciary shall permit the I-Bank, if the I-Bank so chooses, to assume full control of the adjustment settlement, compromise or defense of each such claim, suit or action.

While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq., is not applicable by its terms to claims arising under contracts with the I-Bank, each Fiduciary agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the I-Bank arising under this Section 10.05.

The indemnification provided in this Section 10.05 does not apply or extend to any indemnification given by a Fiduciary to any other person.

SECTION 10.06 Certain Permitted Acts. Any Fiduciary may become the Holder of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

SECTION 10.07 Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture by giving not less than one hundred twenty (120) days’ written notice to the I-Bank, and mailing notice thereof to the Holders of the Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the I-Bank or the Bondholders as provided in Section 10.09, in which event such resignation shall take effect immediately on the appointment of such successor, or unless a successor shall not have been appointed by the I-Bank or the Bondholders as provided in Section 10.09 on that date, in which event such resignation shall not take effect until a successor is appointed.

SECTION 10.08 Removal of Trustee. The Trustee may be removed at any time: (i) by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the I-Bank, (ii) so long as no Event of Default, or any event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, for just cause by a resolution of the I-Bank filed with the Trustee, (iii) upon a determination by the I-Bank, in its sole discretion, that the compensation charged by the Trustee is excessive for the duties, obligations and other services to be performed by the Trustee pursuant to this Indenture, such determination by the I-Bank to be establish by a resolution adopted by the I-Bank and filed with the Trustee no less than 30 days prior to the effective date of such termination, or (iv) for any reason to be determined by the I-Bank, in its sole discretion, and without any requirement that just cause be demonstrated, such determination by the I-Bank to be establish by a resolution adopted by the I-Bank and filed with the Trustee no less than 30 days prior to the effective date of such termination, provided, however, that the provisions of this clause (iv) shall not be implemented by the I-Bank more frequently.
than once every fifth year. Notwithstanding any other provision in this Article X, no removal of the Trustee shall take effect until a successor shall be appointed pursuant to the provisions of Section 10.09.

SECTION 10.09 Appointment of Successor Trustee.

1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the I-Bank by a duly executed written instrument signed by an Authorized Officer of the I-Bank, but if the I-Bank does not appoint a successor Trustee within forty-five (45) days then by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the I-Bank, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the I-Bank and the predecessor Trustee. After such appointment of a successor Trustee, the I-Bank shall mail notice of any such appointment made by it or the Bondholders to the Holders of the Bonds then Outstanding.

2. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the I-Bank written notice as provided in Section 10.07 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association in good standing, qualified to do business in the State of New Jersey (to the extent such requirement is applicable to such Trustee), duly authorized to exercise trust powers, subject to examination by federal or state authority, having capital stock and surplus aggregating at least $50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

SECTION 10.10 Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the I-Bank, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the I-Bank, or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the I-Bank be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the I-Bank. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.
SECTION 10.11  Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business; provided, such company (i) shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and (ii) shall be authorized by law to perform all the duties imposed upon it by this Indenture, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 10.12  Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 10.13  Resignation or Removal of Paying Agent; Appointment of Successor.

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least one hundred twenty (120) days written notice to the I-Bank, the Trustee and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the I-Bank. Any successor Paying Agent shall be appointed by the I-Bank with the written approval of the Trustee and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least $50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all duties imposed upon it by this Indenture.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

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ARTICLE XI
AMENDMENTS

SECTION 11.01 Supplemental Indentures Effective Upon Notice to Bondholders. For any one or more of the following purposes and at any time or from time to time, the I-Bank and the Trustee may enter into a Supplemental Indenture, which, upon the notice to Bondholders, shall be fully effective in accordance with its terms:

(a) To close this Indenture against, or provide limitations and restrictions contained in Indenture on, the authentication and delivery of Bonds;

(b) To add to the duties, covenants, obligations and agreements of the I-Bank in this Indenture, other duties, covenants, obligations and agreements to be observed and performed by the I-Bank which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) To add to the limitations and restrictions in this Indenture, other limitations and restrictions to be observed by the I-Bank which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(d) To authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in Article II, and also any other matters and things relative to such Bonds including whether to issue Bonds in book entry forms, which are not contrary to or inconsistent with this Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination contained in Article II at any time prior to the first authentication and delivery of such Bonds;

(e) To confirm as further assurance, any security interest, pledge or assignment under this Indenture, and the subjection of the Revenues or of any other moneys, securities or funds to any security interest, pledge or assignment created or to be created by this Indenture;

(f) To modify any of the provisions of this Indenture in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(g) To modify any of the provisions of this Indenture in any respect provided that the modifications affect only Bonds issued subsequent to the date of such modifications; or

(h) To comply with the provisions of any federal or state securities law, including, without limitation, the Trust Indenture Act of 1939, as amended, or to comply with Section 103 of the Code, as amended, replaced or substituted.

If the Supplemental Indenture entered by the I-Bank pursuant to this Section materially increases the duties and responsibilities of the Trustee hereunder, the I-Bank shall reasonably compensate the Trustee for such materially increased duties and responsibilities.
SECTION 11.02 Supplemental Indentures Effective Upon Filing of Opinion of Bond Counsel. For any one or more of the following purposes and at any time or from time to time, the I-Bank and the Trustee may enter into a Supplemental Indenture, which, upon (i) the provision of notice to Bondholders and (ii) the filing with the I-Bank and the Trustee of an opinion of Bond Counsel to the effect that such Supplemental Indenture will not adversely affect the exclusion from gross income of the interest on the Series 2020A-1 Bonds for federal income tax purposes, shall be fully effective in accordance with its terms:

(a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provisions in this Indenture;

(b) To insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) In connection with the appointment by the I-Bank of a fiduciary other than the Trustee to perform any of the duties and/or services to be performed by the Trustee pursuant to Section 5.04 hereof, to the extent such modification or amendment of this Indenture which will not have a material adverse effect on the interests of Bondholders; or

(d) To make any other modification or amendment of this Indenture which will not have a material adverse effect on the interests of Bondholders.

In making any determination under this Section 11.02, the Trustee may conclusively rely upon an opinion of Bond Counsel.

SECTION 11.03 Supplemental Indenture Effective With Consent of Bondholders. At any time or from time to time, the I-Bank and the Trustee may enter into a Supplemental Indenture subject to consent by the Bondholders in accordance with and subject to the provisions of Sections 11.06 and 11.07, which Supplemental Indenture, upon (i) compliance with the provisions of said Sections 11.06 and 11.07 and (ii) the filing with the I-Bank and the Trustee of an opinion of Bond Counsel to the effect that such Supplemental Indenture will not adversely affect the exclusion from gross income of the interest on the Series 2020A-1 Bonds for federal income tax purposes, shall become fully effective in accordance with its terms as provided in said Section 11.07. Provided, however, that, any Supplemental Indenture which by its terms only affects one or more Series of Bonds may be adopted subject to the consent of the Bondholders of the Series or Series of Bonds so affected.

SECTION 11.04 General Provisions.

1. This Indenture shall not be modified or amended in any respect except by Supplemental Indenture as provided in and in accordance with and subject to the provisions of this Article XI. Nothing contained in this Article XI shall affect or limit the right or obligation of the I-Bank to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of this Indenture or the right or obligation of the I-Bank to execute and deliver to any Trustee any instrument which elsewhere in this Indenture it is provided shall be delivered to said Trustee.

2. Any Supplemental Indenture referred to and permitted or authorized by Section 11.01 or 11.02 may be adopted by the I-Bank without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Indenture when filed with the Trustee shall be accompanied by an opinion of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully adopted in accordance
with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the I-Bank in accordance with its terms.

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Indenture referred to and permitted or authorized by Sections 11.01, 11.02 or 11.03 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of Bond Counsel that such Supplemental Indenture is authorized or permitted by the provisions of this Indenture.

4. No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without their written assent thereto.

SECTION 11.05 Mailing. Any provision in this Article for the mailing of a notice or other paper to Holders of Bonds shall be fully complied with if it is mailed, postage prepaid only, to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the I-Bank.

SECTION 11.06 Powers of Amendment by Supplemental Indenture. Unless otherwise permitted under Section 11.01 or Section 11.02, any modification or amendment of this Indenture and of the rights and obligations of the I-Bank and of the Holders of the Bonds thereunder, in any particular, may be made only by a Supplemental Indenture with the written consent (i) of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds Outstanding at the time such consent is given, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the terms of any sinking fund installment, of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such obligation, or shall reduce the percentages or otherwise affect the classes of Bonds, the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Trustee without their written assent thereto. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity would be affected by any modification or amendment of this Indenture and any such determination shall be binding and conclusive on the I-Bank and all Holders of Bonds. In taking such action, the Trustee may rely upon the opinion of Bond Counsel. For purposes of this Section, the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale.

SECTION 11.07 Consent of Bondholders. The I-Bank may at any time adopt a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 11.06 to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Holders of Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the I-
Bank to Holders of Bonds (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section provided). Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of the Holders of the percentages of Outstanding Bonds specified in Section 11.06 and (b) an opinion of Bond Counsel addressed to the Trustee stating that such Supplemental Indenture has been duly and lawfully adopted and filed by the I-Bank in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the I-Bank and enforceable in accordance with its terms. It shall not be necessary that the consents of Holders of Bonds approve the particular form of wording of the proposed modification or amendment or of the proposed Supplemental Indenture effecting such modification or amendment, but it shall be sufficient if such consents approve the substance of the proposed amendment or modification. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.02. A Certificate or Certificates executed by the Trustee and filed with the I-Bank stating that it has examined such proof and that such proof is sufficient in accordance with Section 12.02 shall be conclusive that the consents have been given by the Holders of the Bonds described in such Certificate or Certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 12.02 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 11.07 provided for is filed, such revocation and proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 12.02. The fact that a consent has not been revoked may likewise be proved by a Certificate of the Trustee filed with the I-Bank to the effect that no revocation thereof is on file with the Trustee.

At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the I-Bank a written statement that the Holders of such required percentages of such Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Indenture adopted by the I-Bank on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 11.07, may be given to Bondholders by the I-Bank by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section 11.07 provided). The I-Bank shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 11.07 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the I-Bank, the Fiduciaries and the Holders of all Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof of the mailings of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that any Fiduciary and the I-Bank during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as it may deem expedient.

SECTION 11.08 Modifications or Amendments by Unanimous Consent. The terms and provisions of this Indenture and the rights and obligations of the I-Bank and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the I-Bank of a Supplemental Indenture and the consent thereto of the Holders of all of the Bonds then Outstanding, such
consent to be given as provided in Section 11.07 except that no notice to Holders of Bonds either by mailing or publication shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Holders of Bonds.

SECTION 11.09  Exclusion of Bonds. Bonds owned or held by or for the account of the I-Bank shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI, and the I-Bank shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the I-Bank shall furnish to the Trustee a Certificate of an Authorized Officer of the I-Bank, upon which the Trustee may rely, describing all Bonds so to be excluded.

SECTION 11.10  Notation on Bonds. Bonds authenticated and delivered after the effective date of any Supplemental Indenture pursuant to this Article XI may, and, if the I-Bank or the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the I-Bank and the Trustee as to any modification or amendment provided for in such Supplemental Indenture and, in that case upon demand of the Holder of any Bond Outstanding and upon presentation of any Bond for such purpose at the Principal Office of the Trustee, a suitable notation shall be made on such Bond. If the I-Bank or the Trustee shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the I-Bank, to any modification or amendment contained in such Supplemental Indenture, shall be prepared, authenticated and delivered and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series, principal amount, maturity and interest rate then Outstanding, upon surrender of such Bonds. Any action taken as in Article X or this Article XI provided shall be effective and binding upon all Bondholders notwithstanding that the notation is not endorsed on all Bonds.

SECTION 11.11  Effect of Supplemental Indenture. Upon the effective date of any Supplemental Indenture, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, covenants, obligations and agreements under this Indenture of the I-Bank, the Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 11.12  Amendment of Loan Agreements. The I-Bank shall not supplement, amend, modify or terminate any Loan Agreement, or consent to any such supplement, amendment, modification or termination, without the written consent of the Trustee, which consent shall not be unreasonably withheld. The Trustee shall give such written consent only if (a) (i) in the opinion of the Trustee, after such supplement, amendment, modification or termination is effective, such Loan Agreement shall continue to meet the requirements of Article VI of this Indenture or (ii) the Trustee first obtains the written consent of the Holders of a majority in aggregate principal amount of the Outstanding Bonds to such supplement, amendment, modification or termination, such written consent being obtained by the Trustee at the sole expense of the Borrower which is a party to the Loan Agreement which is the subject of the supplement, amendment, modification or termination and (b) the Trustee first obtains an opinion of Bond Counsel to the effect that such supplement, amendment, modification or termination will not adversely affect the exclusion from gross income of the interest on the Series 2020A-1 Bonds for federal income tax purposes. In making any determination under this Section 11.12, the Trustee may conclusively rely upon an opinion of Bond Counsel.
Notwithstanding any other provision in this Section, (a) the I-Bank may supplement, amend or modify any Loan Agreement without the consent of the Trustee or any Bondholder (i) for the purpose of amending, supplementing or modifying Section 2.02(p) of the Loan Agreement, and (ii) for the purpose of amending, supplementing or modifying Exhibit H to the Loan Agreement prior to the execution and delivery thereof, and (b) the I-Bank may terminate any Loan Agreement (subject to the termination provisions thereof) without the consent of the Trustee or any Bondholder in the event that all payment obligations thereunder have been satisfied by the respective Borrower in full.

SECTION 11.13 Notice of Amendments. Promptly after the adoption by the I-Bank of any Supplemental Indenture, the Trustee shall mail by first class mail, postage prepaid, a notice, setting forth in general terms the substance thereof, to the Bondholders of a Series of Bonds affected by such amendment. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

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ARTICLE XII

DEFEASANCE

SECTION 12.01 Defeasance of Bonds.

1. If the I-Bank shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds of any Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in this Indenture, then the pledge of the Trust Estate, and all duties, covenants, agreements and other obligations of the I-Bank to the Bondholders of such Series, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the I-Bank to be prepared and filed with the I-Bank and, upon the request of the I-Bank, shall execute and deliver to the I-Bank all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the I-Bank all moneys or securities held by it pursuant to this Indenture which are not required for the payment of principal or Redemption Price, if applicable, and interest due or to become due on Bonds of any Series not theretofore surrendered for such payment or redemption and any amounts owed to any Fiduciary. If the I-Bank shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Outstanding Bonds of any Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all duties, covenants, agreements and obligations of the I-Bank to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Notwithstanding any other provision in this Article XII, all duties, covenants, agreements and obligations of the I-Bank to the Holders relating to the exclusion of interest from gross income of the Holders of such Bonds for federal income tax purposes shall survive the defeasance of the Bonds.

2. Bonds (which can be an entire series or portion thereof) or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the I-Bank of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section. Subject to the provisions of subsections (3) through (5) of this Section, Outstanding Bonds of any Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their stated maturities, the I-Bank shall have given to the Trustee instructions in writing accepted by the Trustee to mail notice of redemption of such Bonds (other than Bonds of a Series which have been purchased by the Trustee at the written direction of the I-Bank or purchased or otherwise acquired by the I-Bank and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (b) there shall have been deposited with the Trustee (i) either moneys in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Series of Bonds on or prior to the redemption date or maturity date thereof, as the case may be, (ii) a defeasance opinion of Bond Counsel, and (iii) a verification report of an independent nationally recognized verification agent as to the matters set forth in clause (i), and (c) in the event such Series of Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the I-Bank shall have given the Trustee in form satisfactory to it instructions to mail, as soon as practicable, a notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last business day of the month preceding the month for
which notice is mailed that the deposit required by (b) above has been made with the Trustee and that such Series of Bonds are deemed to have been paid in accordance with this Section 12.01 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (5) of this Section 12.01, to be available for the payment of the principal or Redemption Price, if applicable, of such Series of Bonds (other than Bonds which have been purchased by the Trustee at the direction of the I-Bank or purchased or otherwise acquired by the I-Bank and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (a) hereof). Any notice of redemption mailed pursuant to the preceding sentence with respect to any Series of Bonds which constitutes less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section 12.01 to the retirement of said Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in this Indenture.

The Trustee shall, if so directed by the I-Bank (i) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 12.01 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) above with respect to any Bonds deemed to have paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Investment Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the moneys and Investment Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due or to become due on all Bonds in respect of which such moneys and Investment Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (i) prior to the maturity date of Bonds deemed to have been paid in accordance with Section 12.01 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, the I-Bank shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the I-Bank to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with this Section 12.01. The directions given by the I-Bank to the Trustee referred to in the preceding sentence shall also specify the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 12.01 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 12.01 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 12.01 the total amount of moneys and Investment Securities remaining on deposit with the Trustee under this Section 12.01 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds of such Series in order to satisfy clause (b) of this subsection 2 of Section 12.01, the Trustee shall, if requested by the I-Bank, pay the amount of such excess to the I-Bank free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Indenture. Except as otherwise provided in this subsection 2 and in subsection 3 through subsection 5 of this Section 12.01, neither Investment Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that
any cash received from such principal or interest payments on such Investment Securities deposited with
the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid
over to the I-Bank as received by the Trustee, free and clear of any trust, lien or pledge securing said
Bonds or otherwise existing under this Indenture, and (B) to the extent such cash will be required for such
purpose at a later date, shall, to the extent practicable, be reinvested at the direction of the I-Bank in
Investment Securities maturing at times and in amounts sufficient to pay when due the principal or
Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption
date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be
paid over to the I-Bank, as received by the Trustee, free and clear of any trust, lien, security interest,
pledge or assignment securing said Bonds or otherwise existing under this Indenture.

For the purposes of this Section, Investment Securities shall mean and include only (y) such
securities as are described in clause (a) of the definition of “Investment Securities” in Section 1.01 which
shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or
(z) upon compliance with the provisions of subsection 3 of this Section 12.01, such securities as are
described in clause (a) of the definition of Investment Securities which are subject to redemption prior to
maturity at the option of the issuer thereof on a specified date or dates.

3. Investment Securities described in clause (z) of subsection 2 of Section 12.01 may be
included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of
clause (b) of subsection 2 of Section 12.01 only if, in making the determination as to whether the moneys
and Investment Securities to be deposited with the Trustee would be sufficient to pay when due the
principal or Redemption Price, if applicable, and interest due and to become due on the Bonds which will
be deemed to have been paid as provided in subsection 2 of Section 12.01, such determination is made
both (i) on the assumption that the Investment Securities described in clause (z) were not redeemed at the
option of the issuer prior to the maturity date thereof and (ii) on the assumptions that such Investment
Securities were redeemed by the issuer thereof at its option on each date on which such option could be
exercised, that as of such date or dates interest ceased to accrue on such Investment Securities and that the
proceeds of such redemption were not reinvested by the Trustee.

4. In the event that after compliance with the provisions of subsection 3 of Section 12.01 the
Investment Securities described in clause (z) of subsection 2 of Section 12.01 are included in the
Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of
subsection 2 of Section 12.01 and any such Investment Securities are actually redeemed by the issuer
thereof prior to their maturity date, then the Trustee at the written direction of the I-Bank shall reinvest
the proceeds of such redemption in Investment Securities, provided that the aggregate of the moneys and
Investment Securities to be held by the Trustee, taking into account any changes in redemption dates or
instructions to give notice of redemption given to the Trustee by the I-Bank in accordance with subsection
5 of Section 12.01, shall at all times be sufficient to satisfy the requirements of clause (b) of subsection 2
of Section 12.01.

5. In the event that after compliance with the provisions of subsection 3 of Section 12.01 the
Investment Securities described in clause (z) of subsection 2 of Section 12.01 are included in the
Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of
subsection 2 of Section 12.01, then any notice of redemption to be published by the Trustee and any set of
instructions relating to a notice of redemption given to the Trustee may provide, at the option of the I-
Bank, that any redemption date or dates in respect of all of any portion of the Bonds to be redeemed on
such date or dates may at the option of the I-Bank be changed to any other permissible redemption date or
dates and that redemption dates may be established for any Bonds deemed to have been paid in
accordance with this Section 12.01 upon their maturity date or dates at any time prior to the actual
mailing of any applicable notice of redemption in the event that all or any portion of any Investment
Securities described in clause (z) of subsection 2 of this Section 12.01 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change of redemption date or dates or establishment of redemption date or dates may be made unless, taking into account such changed redemption date or dates or newly established redemption date or dates, the moneys and Investment Securities on deposit with the Trustee (including any Investment Securities deposited with the Trustee in connection with any reinvestment of redemption proceeds in accordance with subsection 5 of Section 12.01) pursuant to clause (b) of subsection 2 of Section 12.01 would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Bonds deemed to have been paid in accordance with subsection 2 of Section 12.01.

6. Anything in this Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years after the later of (i) the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption or (ii) the date of deposit of such moneys, shall at the written request of the I-Bank be repaid by the Fiduciary to the I-Bank as its absolute property and free from the Trust Estate, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the I-Bank for the payment of such Bonds; provided, however, that before being required to make any such payment to the I-Bank, the Fiduciary shall, at the expense of the I-Bank, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in the Authorized Newspapers, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the I-Bank.

Notwithstanding any other provision in Article XII of this Indenture, all duties, covenants, agreements and obligations of the I-Bank to the Holders relating to the exclusion of interest from gross income of the Holders of the Series 2020A-1 Bonds for federal income tax purposes shall survive the defeasance of the Series 2020A-1 Bonds.

SECTION 12.02 Evidence of Signatures and Ownership of Bonds.

1. Any request, consent, revocation of consent or other instrument which this Indenture or any Supplemental Indenture may require or permit to be signed and executed by the Holders of Bonds of any Series may be in one or more instruments of similar tenor and shall be signed or executed by such Holders of Bonds in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, shall be sufficient for any purpose of this Indenture or any Supplemental Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The fact and date of the execution by any Holder of any Bond or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

2. The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books maintained by the Trustee.
3. Any request or consent by the Holder of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the I-Bank or any Trustee in accordance therewith.

SECTION 12.03 Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

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ARTICLE XIII
MISCELLANEOUS

SECTION 13.01 Liability of I-Bank Limited to Trust Estate. Notwithstanding anything contained in this Indenture or in the Bonds, the I-Bank shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes in this Indenture, whether for the payment of the principal or Redemption Price of, or interest on, the Bonds or for any other purpose of this Indenture. Nevertheless, the I-Bank may, but shall not be required to, advance for any of the purposes hereof any funds of the I-Bank that may be made available to it for such purposes.

SECTION 13.02 Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the I-Bank or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the duties, covenants, obligations and agreements contained in this Indenture by or on behalf of the I-Bank or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof, whether so expressed or not.

SECTION 13.03 Limitation of Rights to Parties. Nothing expressed or implied in this Indenture or in the Bonds is intended or shall be construed to give to any person other than the I-Bank, the Trustee, the Paying Agents and the Holders of Bonds any legal or equitable right, remedy or claims under or in respect of this Indenture or any duty, covenant, obligation, agreement, condition or provision therein or herein contained; and all such duties, covenants, obligations, agreements, conditions and provisions are and shall be for the sole and exclusive benefit of the I-Bank, the Trustee, the Paying Agents and the Holders of Bonds.

SECTION 13.04 Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 13.05 Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the I-Bank of any Bonds, unless otherwise requested in writing the I-Bank, in lieu of such cancellation and delivery, the Trustee shall destroy such Bonds (in the presence of an officer of the I-Bank, if the I-Bank shall so require), and deliver a Certificate of such destruction to the I-Bank.

SECTION 13.06 Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture or in the Bonds and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The I-Bank hereby declares that it would have entered into this Indenture and each and every section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 13.07 Notices. Any notices, certificates or other communications required or permitted to be given herein shall be in writing (unless otherwise specifically required or permitted herein) and shall be sufficiently given and shall be deemed given when hand delivered or mailed by
registered or certified mail, postage prepaid (unless otherwise specifically required or permitted herein) to
the I-Bank, the Trustee, and the Paying Agent at the addresses set forth below:

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

Trustee:  Zions Bancorporation, National Association d/b/a Zions Bank
401 Liberty Avenue, Suite 1729
Pittsburgh, Pennsylvania 15222
Attention:  Corporate Trust Department

Paying Agent:  Zions Bancorporation, National Association d/b/a Zions Bank
401 Liberty Avenue, Suite 1729
Pittsburgh, Pennsylvania 15222
Attention:  Corporate Trust Department

The I-Bank, the Trustee, and the Paying Agent may designate any further or different address to
which subsequent notices and communications shall be sent by giving notice thereof to the other parties
hereto.

SECTION 13.08 Disqualified Bonds. In determining whether the Holders of the requisite
aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver
under this Indenture, Bonds that are owned or held by or for the account of the I-Bank or any Borrower,
or by any other primary or secondary obligor on any Loan Agreement, or by any person directly or
indirectly controlling or controlled by, or under direct or indirect common control with, the I-Bank or any
Borrower or any other primary or secondary obligor on any Loan Agreement, shall be disregarded and
deemed not to be Outstanding for the purpose of any such determination. Bonds so owned that have been
pledged in good faith may be regarded as Outstanding for the purpose of this Section if the pledgee shall
establish to the satisfaction of the Trustee the pledgee’s right to vote such Bonds and that the pledgee is
not a person directly or indirectly controlling or controlled by, or under direct or indirect common control
with, the I-Bank or any Borrower or any other primary or secondary obligor on any Loan Agreement. In
case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be
full protection to the Trustee.

The determination to be made hereunder by the Trustee with respect to Bonds to be disregarded
and deemed not to be Outstanding shall be based upon information that has been brought to the attention
of the Trustee. There is no affirmative duty on the part of the Trustee to undertake any investigation in
determining Bonds to be disregarded and deemed not to be Outstanding.

SECTION 13.09 Funds and Accounts. Any fund, account or subaccount required by this
Indenture to be established and maintained by the Trustee may be established and maintained in the
accounting records of the Trustee, either as a fund, an account or a subaccount, and, for the purposes of
such records, any audits thereof and any reports or statements with respect thereto, may be treated either
as a fund, an account or a subaccount; but all such records with respect to all such funds, accounts or
subaccounts shall at all times be maintained in accordance with generally accepted accounting principles,
to the extent practicable, or some other accounting standard recognized by the State or acceptable to the I-
Bank.
SECTION 13.10  Waiver of Personal Liability.  No member, officer, agent or employee of the I-Bank shall be individually or personally liable for the payment of the principal or Redemption Price of, or interest on, the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof, all such liability, if any, being expressly waived and released by each Holder of Bonds by the acceptance of such Bonds, but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

SECTION 13.11  I-Bank Protected in Acting in Good Faith.  In the exercise of the powers of the I-Bank and its members, officers, employees and agents under this Indenture, the Loan Agreements or any other document executed in connection with the Bonds, the I-Bank shall not be accountable to any Borrower, the Trustee, the Paying Agent, or any Holder for any action taken or omitted by it or its members, officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred.

SECTION 13.12  Business Days.  Except as otherwise specifically provided herein, if any date specified herein for the payment of any Bond or the performance of any act shall not be a Business Day at the place of payment or performance, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date, and in case any payment of the principal or Redemption Price of or interest on any Bond shall be due on a date that is not a Business Day, interest on such principal amount shall cease to accrue on the date on which such payment was due if such payment is made on the immediately succeeding Business Day.

SECTION 13.13  Counterparts.  This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.  Both parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the New Jersey Infrastructure Bank has caused this Indenture to be signed in its name by its authorized officers, and Zions Bancorporation, National Association d/b/a Zions Bank, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its duly authorized officer all as of the day and year first above written.

ATTEST:

_________________________________
David E. Zimmer
Assistant Secretary

NEW JERSEY INFRASTRUCTURE BANK

By: ________________________________

ATTEST:

__________________________________
Natalie Lawrence
Vice President

ZIONS BANCORPORATION, NATIONAL ASSOCIATION d/b/a ZIONS BANK, as Trustee

By: ________________________________

Eric Mitzel
Vice President and Manager
EXHIBIT A

[FORM OF SERIES 2020A-1 BOND]

UNITED STATES OF AMERICA

STATE OF NEW JERSEY

NEW JERSEY INFRASTRUCTURE BANK

ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2020A-1 (GREEN BONDS)

<table>
<thead>
<tr>
<th>NO. R-__</th>
<th>CUSIP: ________<em><strong>-</strong></em></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Rate</td>
<td>Maturity Date</td>
</tr>
<tr>
<td>____%</td>
<td>September 1, ____</td>
</tr>
</tbody>
</table>

Registered Owner: CEDE & CO.

Principal Sum: _______________________________ ($___,___)

NEW JERSEY INFRASTRUCTURE BANK (the “I-Bank”), a public body corporate and politic and an instrumentality of the State of New Jersey created and existing under the laws of the State of New Jersey, hereby acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner stated hereon or its registered assigns, on the Maturity Date stated hereon, but solely from the funds pledged therefor, upon presentation and surrender of this bond at the Principal Office of Zions Bancorporation, National Association d/b/a Zions Bank (such bank and any successors thereto being herein called the “Trustee” and “Paying Agent”), the Principal Sum stated hereon in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts, and to pay from such pledged funds on March 1 and September 1 in each year, commencing September 1, 2020, until the I-Bank’s obligation with respect to the payment of such Principal Sum shall be discharged to the Registered Owner hereof, interest from the Dated Date hereof on such Principal Sum by check or draft of the Trustee mailed to such Registered Owner who shall appear as of the fifteenth (15th) day (whether or not such day shall be a Business Day) of the month immediately preceding such interest payment date on the books of the I-Bank maintained by the Trustee. However, so long as the Series 2020A-1 Bonds (as hereinafter defined) are held in book-entry-only form pursuant to the Resolution (as hereinafter defined), the provisions of the Resolution governing such book-entry-only form shall govern repayment of the principal or Redemption Price, if any, of and interest on the Series 2020A-1 Bonds.

This bond is one of a duly authorized Series of Bonds of the I-Bank designated “Environmental Infrastructure Bonds, Series 2020A-1 (Green Bonds)” (herein called the “Series 2020A-1 Bonds”), and issued in the aggregate principal amount of $_______ under and in full compliance with: (i) the Constitution and statutes of the State of New Jersey, including, without limitation, the “New Jersey Infrastructure Trust Act”, constituting chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented (herein called the “Act”), (ii) a resolution of the I-Bank, duly adopted on [March 19, 2020], authorizing and approving, among other things, the Indenture (as defined herein), and (iii) the Indenture of Trust, dated May 13, 2020, by and between the I-Bank and the Trustee,
as the same may be amended or supplemented from time to time in accordance with its terms (herein called the “Indenture”).

All capitalized terms used but not defined herein shall have the meanings set forth in the Indenture as if fully set forth herein.

As provided in the Indenture, the Series 2020A-1 Bonds and all other bonds issued on a parity basis with the Series 2020A-1 Bonds under the Indenture (herein collectively called the “Bonds”) are direct and special obligations of the I-Bank payable solely, subject to the following sentence, from and secured (as to payment of principal or Redemption Price, if any, of and interest on) by the Trust Estate, all in accordance with their terms and the terms and conditions of the Indenture, subject only to the provisions of the Indenture permitting the application of the Trust Estate for the purposes and upon the terms and conditions set forth in the Indenture. The principal or Redemption Price, if any, of and interest on the Series 2020A-1 Bonds are additionally secured by moneys held by the Master Program Trustee in the Master Program Trust Account to the extent set forth in the Master Program Trust Agreement. The Trust Estate under the Indenture includes the Loan Agreements (with certain exceptions set forth in the Indenture), any other Revenues and all other funds and accounts established under the Indenture (other than the Operating Expense Fund, the Project Fund, and the Rebate Fund), including Investment Securities, as applicable, held in any such Fund thereunder, together with all proceeds and revenues of the foregoing, all of the I-Bank’s right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price, if any, of and interest on the Bonds in accordance with the terms and provisions of the Indenture. Copies of the Indenture are on file at the office of the I-Bank and at the above-mentioned office of the Trustee. Reference is hereby made to the Act and to the Indenture and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security under the Indenture and for all of the other terms and provisions thereof. All duties, covenants, agreements and obligations of the I-Bank under the Indenture may be discharged and satisfied at or prior to the maturity or redemption, if any, of this bond if moneys or certain specified securities shall have been deposited with the Trustee, all in accordance with the terms and provisions of the Indenture.

As provided in the Indenture, Bonds may be issued from time to time pursuant to Supplemental Indentures in one or more Series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. Although the aggregate principal amount of Bonds that may be issued under the Indenture is not limited, and all Bonds issued and to be issued under the Indenture are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Indenture, the aggregate amount of bonds that may be issued by the I-Bank is currently limited by the Act. The I-Bank makes no representation as to whether this limitation on the aggregate principal amount of bonds issued by the I-Bank under the Act will continue to restrict the future issuance of bonds by the I-Bank under the Act.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture or any resolution amendatory thereof or supplemental thereto may be modified or amended by the I-Bank with the written consent of the holders of at least two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding under the Indenture at the time such consent is given, and, in case less than all of the several Series of Bonds then Outstanding are affected thereby, with such consent of at least two-thirds (2/3) in aggregate principal amount of the Bonds of each Series so affected and Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding under the Indenture, the consent
of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption, if any (including Sinking Fund Installments), or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price, if any, thereof or in the rate of interest thereon without the consent of the holder of such Bond, nor shall it reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, nor shall it change or modify any of the rights or obligations of the Trustee or of the Paying Agent without its written assent thereto.

This bond is transferable, as provided in the Indenture, only upon the books of the I-Bank kept for that purpose at the above-mentioned office of the Trustee, as bond registrar, by the Registered Owner hereof in person, or by such Registered Owner’s attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar duly executed by the Registered Owner or such Registered Owner’s duly authorized attorney, and thereupon a new fully registered bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Indenture upon payment of the charges therein prescribed. The I-Bank, the Trustee and the Paying Agent may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if any, hereof and the interest due hereon and for all other purposes.

The Series 2020A-1 Bonds maturing on or before September 1, [2029] shall not be subject to redemption prior to their respective stated maturity dates. The Series 2020A-1 Bonds maturing on or after September 1, [2030] shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, [2029], at the option of the I-Bank, upon the terms set forth in the Indenture, either in whole or in part, and if in part by lot within any maturity or maturities determined by the I-Bank, on any date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.

The Series 2020A-1 Bonds due September 1, 20__ and September 1, 20__ are subject to mandatory sinking fund redemption prior to their respective stated maturities, upon the surrender thereof and through selection by lot by the Trustee and upon the giving of notice as provided in the Indenture, by payment of the following “Sinking Fund Installments”, on September 1, in each year set forth below, at a Redemption Price which is equal to 100% of the principal amount thereof plus interest accrued to the redemption date, in the following aggregate principal amounts in the following years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
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<td></td>
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</table>

* Final maturity
The Series 2020A-1 Bonds are payable upon redemption at the above-mentioned office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be mailed by the Trustee via first class mail, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date, to the registered owners of any Series 2020A-1 Bonds or portions thereof to be redeemed at their last addresses, if any, appearing upon the I-Bank’s registry books, all in the manner and upon the terms and conditions set forth in the Indenture. If notice of redemption shall have been mailed as aforesaid, the Series 2020A-1 Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all of the Series 2020A-1 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2020A-1 Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Failure of the registered owner of any Series 2020A-1 Bonds to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of such Series 2020A-1 Bonds.

The principal or Redemption Price, if any, of and interest on the Series 2020A-1 Bonds are payable by the I-Bank solely from the Trust Estate, and neither the State of New Jersey nor any political subdivision thereof, other than the I-Bank (but solely to the extent of the Trust Estate), is obligated to pay the principal or Redemption Price, if any, of or interest on this bond and the issue of which it is one, and neither the full faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal or Redemption Price, if any, of or interest on this bond or the issue of which it is one.

It is hereby certified and recited that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this bond exist, have happened and have been performed, and the Series of Bonds of which this is one, together with all other indebtedness of the I-Bank, comply in all respects with the applicable laws of the State of New Jersey, including, without limitation, the Act.

This bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Trustee of the Trustee’s Certificate of Authentication hereon.

IN WITNESS WHEREOF, NEW JERSEY INFRASTRUCTURE BANK has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairperson, Vice-Chairperson or other Authorized Officer and its seal to be impressed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Dated Date hereof.

NEW JERSEY INFRASTRUCTURE BANK

By: ______________________________

[SEAL]

ATTEST:

_____________________________
Assistant Secretary
TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2020A-1 Bonds delivered pursuant to the within-mentioned Indenture.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION d/b/a ZIONS BANK,
as Trustee

By: ________________________________

Authorized Signatory
The following abbreviations, when used in the inscription on this bond, shall be construed as though they were written out in full according to applicable laws or regulations (additional abbreviations may also be used though not in the following list):

- TEN COM – as tenants in common
- TEN ENT – as tenants by the entireties
- JT TEN – as joint tenants with right of survivorship and not as tenants in common
- UNIF GIFT MIN ACT
  - Custodian _______
  - (Cust) (Minor) ________
  - under Uniform Gifts to Minors Act (State)

ASSIGNMENT

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE (FOR COMPUTER RECORD ONLY): _______________

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

_______________________________________________________, Attorney, to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranty: __________________________ Signature: __________________________

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank, trust company, national bank association or other banking institution incorporated under the laws of the United States or a state of the United States.

NOTICE: The signature of this Assignment must correspond with the name that appears upon the first page of the within bond in every particular, without alteration or enlargement or any change whatsoever.
EXHIBIT B

Form of I-Bank Continuing Disclosure Agreement
SUPPLEMENTAL BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF
ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS, SERIES 2020A-R1
OF THE NEW JERSEY INFRASTRUCTURE BANK

Adopted March 20, 2020, as amended and supplemented by a Certificate of an Authorized Officer of the I-Bank in accordance with Section 6.01 hereof
WHEREAS, on November 7, 2002, the New Jersey Infrastructure Bank (formerly known as the New Jersey Environmental Infrastructure Trust), a public body corporate and politic with corporate succession (the “I-Bank”), duly created and validly existing under the laws of the State of New Jersey (the “State”), including, without limitation, the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 et seq.), as the same has been and in the future may be further amended and supplemented from time to time (the “Act”), issued its “Environmental Infrastructure Bonds, Series 2002A”, dated October 15, 2002, in the original aggregate principal amount of $90,310,000 (the “Series 2002A Bonds”), in accordance with the provisions of (i) the “Environmental Infrastructure Bond Resolution, Series 2002A” of the I-Bank, duly adopted by the I-Bank on September 16, 2002 (the “Initial 2002A Bond Resolution”), (ii) the Act and (iii) all other applicable law;


WHEREAS, on November 6, 2003, the I-Bank issued its “Environmental Infrastructure Bonds, Series 2003A”, dated October 15, 2003, in the original aggregate principal amount of $66,420,000 (the “Series 2003A Bonds”), in accordance with the provisions of (i) the “Environmental Infrastructure Bond Resolution, Series 2003A” of the I-Bank, duly adopted by the I-Bank on September 15, 2003 (the “Original 2003A Bond Resolution”), (ii) the Act and (iii) all other applicable law;

WHEREAS, on November 4, 2004, the I-Bank issued its “Environmental Infrastructure Bonds, Series 2004A”, dated November 4, 2004, in the original aggregate principal amount of $115,270,000 (the “Series 2004A Bonds”), in accordance with the provisions of (i) the “Environmental Infrastructure Bond Resolution, Series 2004A” of the I-Bank, duly adopted by the I-Bank on September 20, 2004 (the “Initial 2004A Bond Resolution”), (ii) the Act and (iii) all other applicable law;

Supplemental Bond Resolution shall be referred to herein as the “Original 2004A Bond Resolution”), for the purpose of refunding a portion of the Series 2004A Bonds;

WHEREAS, on November 9, 2006, the I-Bank issued its “Environmental Infrastructure Bonds, Series 2006A”, dated November 9, 2006, in the original aggregate principal amount of $148,850,000 (the “Series 2006A Bonds”), in accordance with the provisions of (i) the “Environmental Infrastructure Bond Resolution, Series 2006A” of the I-Bank, duly adopted by the I-Bank on September 19, 2006 (the “Original Series 2006A Bond Resolution”), (ii) the Act and (iii) all other applicable law;

WHEREAS, on August 18, 2010, the I-Bank issued its “Environmental Infrastructure Refunding Bonds, Series 2010A”, dated August 18, 2010, in the original aggregate principal amount of $68,570,000 (the “Series 2010A Refunding Bonds”), for the purpose, inter alia, of (i) advance refunding a portion of the then outstanding Series 2002A Bonds, (ii) advance refunding a portion of the then outstanding Series 2003A Bonds, (iii) advance refunding a portion of the then outstanding Series 2004A Bonds, and (iv) advance refunding a portion of the then outstanding Series 2006A Bonds;

WHEREAS, the Series 2010A Refunding Bonds were issued, inter alia, pursuant to (i) (A) with respect to the then outstanding Series 2002A Bonds, the Original 2002A Bonds Resolution, as amended and supplemented by that certain “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2010A of the New Jersey Environmental Infrastructure Trust”, adopted by the I-Bank on July 8, 2010, as amended and supplemented by a certificate of an Authorized Officer of the I-Bank dated the date of issuance of the Series 2010A Refunding Bonds (as amended and supplemented, the “Series 2010A Refunding Supplemental Bond Resolution”; certain defined terms used herein and not otherwise defined herein shall have the terms ascribed thereto in the Series 2010A Refunding Supplemental Bond Resolution); (B) with respect to the then outstanding Series 2003A Bonds, the Original 2003A Bond Resolution, as amended and supplemented by the Series 2010A Refunding Supplemental Bond Resolution; (C) with respect to the then outstanding Series 2004A Bonds, the Original 2004A Bond Resolution, as amended and supplemented by the Series 2010A Refunding Supplemental Bond Resolution; and (D) with respect to the then outstanding Series 2006A Bonds, the Original 2006A Bond Resolution, as amended and supplemented by the Series 2010A Refunding Supplemental Bond Resolution, (ii) the Act and (iii) all other applicable law;

WHEREAS, the I-Bank has determined that net present value savings (the “2002A Gross Savings”) can be achieved upon the defeasance and current refunding of a portion of the outstanding Series 2010A Refunding Bonds relating to the Series 2002A Bonds, through the implementation of the hereinafter defined 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded (net of all costs incurred in connection therewith, the “2002A Savings”);

WHEREAS, the I-Bank has determined that net present value savings (the “2003A Gross Savings”) can be achieved upon the defeasance and current refunding of a portion of the outstanding Series 2010A Refunding Bonds relating to the Series 2003A Bonds, through the implementation of the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded (net of all costs incurred in connection therewith, the “2003A Savings”);
WHEREAS, the I-Bank has determined that net present value savings (the “2004A Gross Savings”) can be achieved upon the defeasance and current refunding of a portion of the outstanding Series 2010A Refunding Bonds relating to the Series 2004A Bonds, through the implementation of the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded (net of all costs incurred in connection therewith, the “2004A Savings”);

WHEREAS, the I-Bank has determined that net present value savings (the “2006A Gross Savings”) can be achieved upon the defeasance and current refunding of a portion of the outstanding Series 2010A Refunding Bonds relating to the Series 2006A Bonds, through the implementation of the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded (net of all costs incurred in connection therewith, the “2006A Savings”);

WHEREAS, in order to implement the defeasance and current refunding of a portion of the outstanding Series 2010A Refunding Bonds as described above, the I-Bank intends to issue its “Environmental Infrastructure Refunding Bonds, Series 2020A-R1 (2002A, 2003A, 2004A and 2006A Financing Programs)”, to be dated the date of issuance thereof (the “Series 2020A-R1 Refunding Bonds”), with an exact aggregate principal amount and an exact dated date thereof to be determined by an Authorized Officer of the I-Bank upon the issuance thereof, in accordance with (i) the terms of (A) the Original 2002A Bond Resolution, as amended and supplemented by the Series 2010A Refunding Supplemental Bond Resolution, and as further amended and supplemented by this “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2020A-R1 (2002A, 2003A, 2004A and 2006A Financing Programs) of the New Jersey Infrastructure Bank”, as amended and supplemented by a certificate of an Authorized Officer of the I-Bank dated the date of issuance of the Series 2020A-R1 Refunding Bonds (as amended and supplemented, the “Series 2020A-R1 Refunding Supplemental Bond Resolution”) (the Original 2002A Bond Resolution, as thereafter amended and supplemented, the “Series 2002A Bond Resolution”), with U.S. Bank National Association, Edison, New Jersey, appointed thereunder as Trustee (or any successor thereto, the “2002A Trustee”) and Paying Agent (or any successor thereto, the “2002A Paying Agent”), (B) the Original 2003A Bond Resolution, as amended and supplemented by the Series 2010A Refunding Supplemental Bond Resolution and as further amended and supplemented by this Series 2020A-R1 Refunding Supplemental Bond Resolution (as amended and supplemented, the “Series 2003A Bond Resolution”), with U.S. Bank National Association, Edison, New Jersey, appointed thereunder as Trustee (or any successor thereto, the “2003A Trustee”) and Paying Agent (or any successor thereto, the “2003A Paying Agent”), (C) the Original 2004A Bond Resolution, as amended and supplemented by the Series 2010A Refunding Supplemental Bond Resolution and as further amended and supplemented by this Series 2020A-R1 Refunding Supplemental Bond Resolution (as amended and supplemented, the “Series 2004A Bond Resolution”), with U.S. Bank National Association, Edison, New Jersey, appointed thereunder as Trustee (or any successor thereto, the “2004A Trustee”) and Paying Agent (or any successor thereto, the “2004A Paying Agent”), and (D) the Original 2006A Bond Resolution, as amended and supplemented by the Series 2010A Refunding Supplemental Bond Resolution and as further amended and supplemented by this Series 2020A-R1 Refunding Supplemental Bond Resolution (as amended and supplemented, the “Series 2006A Bond Resolution”), with U.S. Bank National Association, Edison, New Jersey, appointed thereunder as Trustee (or any successor thereto, the
WHEREAS, Section 2.04(1) of the Initial 2002A Bond Resolution, as amended and supplemented, including as amended and supplemented by this Series 2020A-R1 Refunding Supplemental Bond Resolution, authorizes the issuance of a portion of the Series 2020A-R1 Refunding Bonds, consisting of such portions of such maturities of the Series 2020A-R1 Refunding Bonds as are set forth in Section 2.03(B)(i) hereof (the “2002A Allocable Portion”), as “Refunding Bonds” in order to achieve a portion (the 2002A Allocable Portion) of the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded, upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Initial 2002A Bond Resolution;

WHEREAS, Section 2.04(1) of the Original 2003A Bond Resolution, as amended and supplemented, including as amended and supplemented by this Series 2020A-R1 Refunding Supplemental Bond Resolution, authorizes the issuance of a portion of the Series 2020A-R1 Refunding Bonds, consisting of such portions of such maturities of the Series 2020A-R1 Refunding Bonds as are set forth in Section 2.03(B)(ii) hereof (the “2003A Allocable Portion”), as “Refunding Bonds” in order to achieve a portion (the 2003A Allocable Portion) of the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded, upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original 2003A Bond Resolution;

WHEREAS, Section 2.04(1) of the Initial 2004A Bond Resolution, as amended and supplemented, including as amended and supplemented by this Series 2020A-R1 Refunding Supplemental Bond Resolution, authorizes the issuance of a portion of the Series 2020A-R1 Refunding Bonds, consisting of such portions of such maturities of the Series 2020A-R1 Refunding Bonds as are set forth in Section 2.03(B)(iii) hereof (the “2004A Allocable Portion”), as “Refunding Bonds” in order to achieve a portion (the 2004A Allocable Portion) of the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded, upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Initial 2004A Bond Resolution;

WHEREAS, Section 2.04(1) of the Original 2006A Bond Resolution, as amended and supplemented, including as amended and supplemented by this Series 2020A-R1 Refunding Supplemental Bond Resolution, authorizes the issuance of a portion of the Series 2020A-R1 Refunding Bonds, consisting of such portions of such maturities of the Series 2020A-R1 Refunding Bonds as are set forth in Section 2.03(B)(iv) hereof (the “2006A Allocable Portion”), as “Refunding Bonds” in order to achieve a portion (the 2006A Allocable Portion) of the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded, upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original 2006A Bond Resolution;

WHEREAS, payment of the principal of and interest on the Series 2020A-R1 Refunding Bonds, when due, will be secured pursuant to the terms of the Master Program I-Bank Agreement and as more fully described in the preambles to the Series 2010A Refunding Supplemental Bond Resolution with respect to, as the case may be, each of the 2002A Allocable
Portion, the 2003A Allocable Portion, the 2004A Allocable Portion and the 2006A Allocable Portion, each as respectively described therein;

WHEREAS, upon the issuance of the Series 2020A-R1 Refunding Bonds, the I-Bank shall establish an escrow fund (the “Defeased Series 2010A Bond Escrow Fund”) in accordance with the terms of that certain “Escrow Deposit Agreement, Series 2010A (2002A, 2003A, 2004A and 2006A Financing Programs)”, dated the date of issuance of the Series 2020A-R1 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “Defeased Series 2010A Bond Escrow Deposit Agreement”), by and between the I-Bank and U.S. Bank National Association, Edison, New Jersey (successor to Wachovia Bank, National Association), as Defeased Series 2010A Bond Escrow Agent (or any successor thereto, the “Defeased Series 2010A Bond Escrow Agent”) thereunder;

WHEREAS, upon the issuance of the Series 2020A-R1 Refunding Bonds, the I-Bank will cause a portion of the proceeds thereof to be deposited in the Defeased Series 2010A Bond Escrow Fund in an amount that, together with interest earned thereon and certain other available funds (relating to the 2006A Allocable Portion), will be sufficient to pay (i) all of the interest due and payable on September 1, 2020 (the “Series 2010A Redemption Date”) on all of the Outstanding Series 2010A Refunding Bonds otherwise maturing on September 1, 2021 through and including September 1, 2024 (collectively, the “Series 2010A Bonds to be Refunded”), (ii) all of the principal of the Series 2010A Bonds to be Refunded on the Series 2010A Redemption Date, and (iii) the redemption premium, if any, applicable to redeeming all of the Series 2010A Bonds to be Refunded on the Series 2010A Redemption Date (collectively, the “2020 Refunding of the Series 2010A Refunding Bonds to be Refunded”);

WHEREAS, upon the issuance of the Series 2020A-R1 Refunding Bonds, the I-Bank will finance the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded with deposits into the Defeased Series 2010A Bond Escrow Fund from the following sources: (i) from the primary share of the proceeds of each of (A) the 2002A Allocable Share of the Series 2020A-R1 Refunding Bonds, (B) the 2003A Allocable Share of the Series 2020A-R1 Refunding Bonds, (C) the 2004A Allocable Share of the Series 2020A-R1 Refunding Bonds, and (D) the 2006A Allocable Share of the Series 2020A-R1 Refunding Bonds, and (ii) from the immediate transfer of certain moneys remaining on deposit in certain Funds and Accounts established and existing under the Original 2006A Bond Resolution, as thereafter amended and supplemented, and held by U.S. Bank National Association, Edison, New Jersey, as Trustee (or any successor thereto, the “2006A Trustee”) thereunder all as set forth in this Series 2020A-R1 Refunding Supplemental Bond Resolution and in the Defeased Series 2010A Bond Escrow Deposit Agreement;

WHEREAS, upon the issuance of the Series 2020A-R1 Refunding Bonds and following the deposits to the Defeased Series 2010A Bond Escrow Fund as described above, the I-Bank shall (i) apply the balance of the proceeds of (A) the 2002A Allocable Share of the Series 2020A-R1 Refunding Bonds, (B) the 2003A Allocable Share of the Series 2020A-R1 Refunding Bonds, (C) the 2004A Allocable Share of the Series 2020A-R1 Refunding Bonds, and (D) the 2006A Allocable Share of the Series 2020A-R1 Refunding Bonds to the payment of certain costs incurred by the I-Bank in connection with the issuance of the Series 2020A-R1 Refunding
Bonds, and (ii) pass on to each of the Borrowers their pro rata portion of, as applicable, the 2002A Savings, the 2003A Savings, the 2004A Savings and the 2006A Savings (collectively, the “Savings”), in each case as achieved from the 2020 Refunding of the 2010A Refunding Bonds to be Refunded, such pro rata portion of the Savings to be applied as an additional credit to the existing I-Bank Loan repayment obligations of such Borrowers; provided, however, that an Authorized Officer of the I-Bank may withhold from the Borrowers a portion of the Savings, to the extent that it is reasonably required to reimburse the I-Bank for direct out of pocket costs of issuing the Series 2020A-R1 Refunding Bonds that have been paid by the I-Bank and not otherwise financed from the proceeds of the Series 2020A-R1 Refunding Bonds, the amount of which portion, if any, being set forth on the Savings Credit Schedule (as hereinafter defined) under the heading “Withheld Savings” (the “Withheld Savings”);

WHEREAS, the I-Bank desires to appoint the Series 2020A-R1 Refunding Fiduciary (as hereinafter defined) to fulfill certain duties and responsibilities as set forth in the Original Bond Resolutions (as hereinafter defined) with respect to the Series 2020A-R1 Refunding Bonds, as such duties are further defined and described in this Series 2020A-R1 Refunding Supplemental Bond Resolution;

WHEREAS, in order to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the “Securities Exchange Act”), including any successor regulation or statute thereto (“Rule 15c2-12”), the I-Bank (i) has determined that each of the Programs is and (ii) will determine whether certain Borrowers (the “Disclosure Borrowers”) and, if applicable, whether certain related local government units, are material “obligated persons” in connection with the issuance of the Series 2020A-R1 Refunding Bonds, as the term “obligated person” is defined in Rule 15c2-12, based upon criteria set forth in this Series 2020A-R1 Refunding Supplemental Bond Resolution;

WHEREAS, prior to or simultaneously with the issuance of the Series 2020A-R1 Refunding Bonds, each such Disclosure Borrower, if any, shall enter into a separate “Series 2020A-R1 Continuing Disclosure Agreement”, to be dated the date of issuance of the Series 2020A-R1 Refunding Bonds, with the Series 2020A-R1 Refunding Fiduciary and the I-Bank (as the same may be further amended and supplemented from time to time in accordance with their respective terms, the “Series 2020A-R1 Borrower Continuing Disclosure Agreements”), for the purpose of satisfying Rule 15c2-12 and the purposes and intent thereof, as Rule 15c2-12, its purposes and intent may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction; and

WHEREAS, prior to or simultaneously with the issuance of the Series 2020A-R1 Refunding Bonds, the I-Bank shall enter into a “Series 2020A-R1 Refunding Bonds I-Bank Continuing Disclosure Agreement”, to be dated the date of issuance of the Series 2020A-R1 Refunding Bonds, with the Series 2020A-R1 Refunding Fiduciary (as the same may be further amended and supplemented from time to time in accordance with the terms thereof, the “Series 2020A-R1 I-Bank Continuing Disclosure Agreement”; the Series 2020A-R1 Borrower Continuing Disclosure Agreements and the Series 2020A-R1 I-Bank Continuing Disclosure Agreement shall be referred to collectively herein as the “Series 2020A-R1 Continuing Disclosure Agreement”).
Disclosure Agreements”), for the purpose satisfying Rule 15c2-12 and the purposes and intent thereof, as Rule 15c2-12, its purposes and intent may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the I-Bank as follows:
ARTICLE I
DEFINITIONS AND AUTHORITY FOR SERIES 2010A REFUNDING SUPPLEMENTAL BOND RESOLUTION

SECTION 1.01. Definitions.

(A) As used in this Series 2020A-R1 Refunding Supplemental Bond Resolution, unless the context requires otherwise, all capitalized terms not defined herein shall have the meanings ascribed to such terms in Section 1.01 of the respective Original Bond Resolutions, as each has been amended and supplemented pursuant to the Series 2010A Refunding Supplemental Bond Resolution.

(B) The terms that are defined in the recitals to this Series 2020A-R1 Refunding Supplemental Bond Resolution shall have the respective meanings ascribed to such terms in such recitals.

(C) In addition, as used in this Series 2020A-R1 Refunding Supplemental Bond Resolution, unless the context requires otherwise, the following terms shall have the following meanings:

“Allocable Portions” shall mean, collectively, the 2002A Allocable Portion, the 2003A Allocable Portion, the 2004A Allocable Portion and the 2006A Allocable Portion.

“Authorized Officer” means, in the case of the I-Bank, the Chairperson, Vice-Chairperson, Secretary or 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 hereunder; the designation of such person or persons shall be evidenced by a written Certificate containing the specimen signature of such person or persons and signed on behalf of the I-Bank by its Chairperson, Vice-Chairperson, Secretary or Executive Director and delivered to, as the case may be, the applicable Trustee or the Series 2020A-R1 Refunding Fiduciary.

“Bond Year” shall mean a period of 12 consecutive months beginning on September 1 of any calendar year and ending on August 31 of the immediately succeeding calendar year, except that the first bond year shall be a period commencing on the date of issuance of the Series 2020A-R1 Refunding Bonds and ending on the August 31, 2020.

“Bondholder”, “Holder” or “holder” shall mean any person who shall be the registered owner of a Series 2020A-R1 Refunding Bond.


“DTC” shall mean The Depository I-Bank Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Series 2020A-R1 Refunding Bonds.
“DTC Representation Letter” means the agreement entered into by and between the I-Bank and DTC, detailing the rights, duties and obligations of the parties thereto relative to the Series 2020A-R1 Refunding Bonds.

“I-Bank Conditions Precedent” shall mean the written approval of the Governor and Treasurer of the State of this Series 2020A-R1 Refunding Supplemental Bond Resolution in satisfaction of the requirements of Section 4(j) of the Act, and compliance with the applicable requirements of Section 6(g) of the Act relating to the Joint Budget Oversight Committee.

“Original Bond Resolutions” shall mean, collectively, the Original 2002A Bond Resolution, the Original 2003A Bond Resolution, the Original 2004A Bond Resolution and the Original 2006A Bond Resolution.

“Savings Credit” shall mean the pro rata portion of the Savings, other than the Withhold Savings, if any, allocated by the I-Bank to each Borrower, as such pro rata portion shall be identified by the I-Bank in the Savings Credit Schedule, relating to each respective Borrower, under the column therein entitled “Savings Credit (Total)”.

“Savings Credit Schedule” shall mean collectively or individually, as the case may be, the schedule, prepared by or at the direction of the I-Bank with respect to each Borrower, demonstrating the Savings Credit and Withheld Savings, if any, such Savings Credit Schedule to be included by the I-Bank as an exhibit to that certain Certificate of an Authorized Officer of the I-Bank pursuant to Section 6.01 hereof.

“Series Paying Agents” shall mean, collectively, the 2002A Paying Agent, the 2003A Paying Agent, the 2004A Paying Agent and the 2006A Paying Agent.

“Series Trustees” shall mean, collectively, the 2002A Trustee, the 2003A Trustee, the 2004A Trustee and the 2006A Trustee.

“Series 2002A Borrowers” shall mean individually or collectively, as the case may be, each local governmental unit or private water company that previously has received a Series 2002A I-Bank Loan and, in accordance with this Series 2020A-R1 Refunding Supplemental Resolution, will receive its pro rata share of the 2002A Savings, less the Withhold Savings, if any.

“Series 2002A Loan Servicer” shall mean TD Bank, National Association, Cherry Hill, New Jersey, or any further successor thereto in accordance with the terms of the Series 2002A Loan Servicing Agreement or as appointed by the I-Bank.

“Series 2002A Loan Servicing Agreement” shall mean the “Loan Servicing and I-Bank Bonds Security Agreement for Environmental Infrastructure Bonds, Series 2002A”, dated as of November 7, 2002, by and among the I-Bank, the State, acting by and through the Treasurer of the State on behalf of the DEP, and the Loan Servicer thereunder, as the same may be amended or supplemented from time to time in accordance with its terms, or any similar loan servicing
agreement entered into by and among the I-Bank, the State, acting by and through the Treasurer of the State on behalf of the DEP, and a successor Loan Servicer appointed by the I-Bank.


“Series 2003A Borrowers” shall mean individually or collectively, as the case may be, each local governmental unit or private water company that previously has received a Series 2003A I-Bank Loan and, in accordance with this Series 2003A-R1 Refunding Supplemental Resolution, will receive its pro rata share of the 2003A Savings, less the Withhold Savings, if any.

“Series 2003A Loan Servicer” shall mean TD Bank, National Association, Cherry Hill, New Jersey, or any further successor thereto in accordance with the terms of the Series 2003A Loan Servicing Agreement or as appointed by the I-Bank.

“Series 2003A Loan Servicing Agreement” shall mean the “Loan Servicing and I-Bank Bonds Security Agreement for Environmental Infrastructure Bonds, Series 2003A”, dated as of November 6, 2003, by and among the I-Bank, the State, acting by and through the Treasurer of the State on behalf of the DEP, and the Loan Servicer thereunder, as the same may be amended or supplemented from time to time in accordance with its terms, or any similar loan servicing agreement entered into by and among the I-Bank, the State, acting by and through the Treasurer of the State on behalf of the DEP, and a successor Loan Servicer appointed by the I-Bank.


“Series 2004A Borrowers” shall mean individually or collectively, as the case may be, each local governmental unit or private water company that previously has received a Series 2004A I-Bank Loan and, in accordance with this Series 2003A-R1 Refunding Supplemental Resolution, will receive its pro rata share of the 2004A Savings, less the Withhold Savings, if any.


“Series 2006A Borrowers” shall mean individually or collectively, as the case may be, each local governmental unit or private water company that previously has received a Series 2006A I-Bank Loan and, in accordance with this Series 2003A-R1 Refunding Supplemental Resolution, will receive its pro rata share of the 2006A Savings, less the Withhold Savings, if any.

“Series 2020A-R1 Refunding Fiduciary” shall mean the fiduciary appointed pursuant to Section 4.01 hereof, and its successor or successors and any other corporation or banking association which may at any time be substituted in its place pursuant to this Series 2020A-R1 Refunding Supplemental Bond Resolution.

SECTION 1.02. Authority for Supplemental Bond Resolution. This Series 2020A-R1 Refunding Supplemental Bond Resolution is adopted pursuant to and in accordance with, the provisions of the Act and Section 2.04 and Article XI of each of the Original Bond Resolutions, as previously amended and supplemented by the Series 2010A Refunding Supplemental Bond Resolution, and serves to amend and supplement each of the Original Bond Resolutions, as previously amended and supplemented by the Series 2010A Refunding Supplemental Bond Resolution.
ARTICLE II

AUTHORIZATION AND DETAILS OF SERIES 2010A REFUNDING BONDS

SECTION 2.01. [Reserved].

SECTION 2.02. Issuance of Series 2020A-R1 Refunding Bonds; Parity Nature of Bonds; Savings.

(A) The I-Bank hereby declares the issuance of the Series 2020A-R1 Refunding Bonds to be an authorized undertaking of the I-Bank pursuant to the Act and Section 2.04(1) of each of the Original Bond Resolutions, as amended and supplemented, and hereby authorizes and directs an Authorized Officer to execute and deliver all documents necessary or desirable in connection therewith.

(B) (i) In accordance with the terms of the Series 2002A Bond Resolution, upon the issuance of the Series 2020A-R1 Refunding Bonds in accordance with the terms hereof, the Holders of the Series 2020A-R1 Refunding Bonds, to the extent of the 2002A Allocable Portion thereof, shall be equally and ratably entitled to the benefit of the pledge of the Trust Estate (as defined in the Series 2002A Bond Resolution) pursuant to the Series 2002A Bond Resolution with the Holders of any other Series of Bonds to be issued pursuant to the Series 2002A Bond Resolution, including, without limitation, the rights to the Loan Repayments (as defined in the Series 2002A Bond Resolution), but exclusive of the moneys and securities in the Debt Service Reserve Fund (as defined in the Original Series 2002A Bond Resolution, as amended by the Series 2010A Refunding Supplemental Bond Resolution). Accordingly, all of the Series 2002A Outstanding Obligations shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2002A Bond Resolution (including, without limitation, as to the application of the Debt Service Reserve Fund).

(ii) In accordance with the terms of the Series 2003A Bond Resolution, upon the issuance of the Series 2020A-R1 Refunding Bonds in accordance with the terms hereof, the Holders of the Series 2020A-R1 Refunding Bonds, to the extent of the 2003A Allocable Portion thereof, shall be equally and ratably entitled to the benefit of the pledge of the Trust Estate (as defined in the Series 2003A Bond Resolution) pursuant to the Series 2003A Bond Resolution with the Holders of any other Series of Bonds to be issued pursuant to the Series 2003A Bond Resolution, including, without limitation, the rights to the Loan Repayments (as defined in the Series 2003A Bond Resolution), but exclusive of the moneys and securities in the Debt Service Reserve Fund (as defined in the Original Series 2003A Bond Resolution, as amended by the Series 2010A Refunding Supplemental Bond Resolution). Accordingly, all of the Series 2003A Outstanding Obligations shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2003A Bond Resolution (including, without limitation, as to the application of the Debt Service Reserve Fund).

(iii) In accordance with the terms of the Series 2004A Bond Resolution, upon the issuance of the Series 2020A-R1 Refunding Bonds in accordance with the terms hereof, the
Holders of the Series 2002A-R1 Refunding Bonds, to the extent of the 2004A Allocable Portion thereof, shall be equally and ratably entitled to the benefit of the pledge of the Trust Estate (as defined in the Series 2004A Bond Resolution) pursuant to the Series 2004A Bond Resolution with the Holders of any other Series of Bonds to be issued pursuant to the Series 2004A Bond Resolution, including, without limitation, the rights to the Loan Repayments (as defined in the Series 2004A Bond Resolution), but exclusive of the moneys and securities in the Debt Service Reserve Fund (as defined in the Original Series 2004A Bond Resolution, as amended by the Series 2010A Refunding Supplemental Bond Resolution). Accordingly, all of the Series 2004A Outstanding Obligations shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2004A Bond Resolution (including, without limitation, as to the application of the Debt Service Reserve Fund).

(iv) In accordance with the terms of the Series 2006A Bond Resolution, upon the issuance of the Series 2002A-R1 Refunding Bonds in accordance with the terms hereof, the Holders of the Series 2002A-R1 Refunding Bonds, to the extent of the 2006A Allocable Portion thereof, shall be equally and ratably entitled to the benefit of the pledge of the Trust Estate (as defined in the Series 2006A Bond Resolution) pursuant to the Series 2006A Bond Resolution with the Holders of any other Series of Bonds to be issued pursuant to the Series 2006A Bond Resolution, including, without limitation, the rights to the Loan Repayments (as defined in the Series 2006A Bond Resolution), but exclusive of the moneys and securities in the Debt Service Reserve Fund (as defined in the Original Series 2006A Bond Resolution, as amended by the Series 2010A Refunding Supplemental Bond Resolution). Accordingly, all of the Series 2006A Outstanding Obligations shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2006A Bond Resolution (including, without limitation, as to the application of the Debt Service Reserve Fund).

(C) (i) As a result of the parity nature of the Series 2002A Outstanding Obligations, the Loan Repayments to be made by the Series 2002A Borrowers shall be allocated by the Series 2002A Trustee on a pro-rata basis to the Accounts within the Revenue Fund, and thereafter the Debt Service Fund (as such terms are defined in the Series 2002A Bond Resolution), for each such Series 2002A Outstanding Obligations for payment of the principal and redemption premium, if any, and the interest on all of such Series 2002A Outstanding Obligations. Further, the issuance of the Series 2002A-R1 Refunding Bonds or any other Series 2002A Outstanding Obligations shall have no effect on the rights of the 2002A Trustee and the Holders of the Series 2002A Outstanding Obligations to recover any deficiency in amounts on deposit in the Debt Service Fund on any Interest Payment Date caused by any reason, including, without limitation, the deficiency in Loan Repayments of one or more Series 2002A Borrowers, from amounts on deposit in the Debt Service Reserve Fund, which rights shall be limited to the unused portion of any such Series 2002A Borrower’s Allocable Share of the Debt Service Reserve Fund as set forth in Article V of the Original 2002A Bond Resolution, as amended and supplemented, and further limited to the payment of the principal and redemption premium, if any of and the interest on the Series 2002A Bonds and the Series 2007B Refunding Bonds. Therefore, any such recovery from the Debt Service Reserve Fund shall also be allocated by the 2002A Trustee on a pro-rata basis to the Accounts within the Debt Service Fund for the Series 2002A Bonds and the Series 2007B Refunding Bonds for payment of the principal and
redemption premium, if any, of and the interest on all of the Series 2002A Bonds and the Series 2007B Refunding Bonds.

(ii) As a result of the parity nature of the Series 2003A Outstanding Obligations, the Loan Repayments to be made by the Series 2003A Borrowers shall be allocated by the 2003A Trustee on a pro-rata basis to the Accounts within the Revenue Fund, and thereafter the Debt Service Fund (as such terms are defined in the Series 2003A Bond Resolution), for each such Series 2003A Outstanding Obligations for payment of the principal and redemption premium, if any, of and the interest on all of such Series 2003A Outstanding Obligations. Further, the issuance of the Series 2020A-R1 Refunding Bonds or any other Series 2003A Outstanding Obligations shall have no effect on the rights of the 2003A Trustee and the Holders of the Series 2003A Outstanding Obligations to recover any deficiency in amounts on deposit in the Debt Service Fund on any Interest Payment Date caused by any reason, including, without limitation, the deficiency in Loan Repayments of one or more Series 2003A Borrowers, from amounts on deposit in the Debt Service Reserve Fund, which rights shall be limited to the unused portion of any such Series 2003A Borrower’s Allocable Share of the Debt Service Reserve Fund as set forth in Article V of the Original 2003A Bond Resolution, as amended and supplemented, and further limited to the payment of the principal and redemption premium, if any of and the interest on the Series 2003A Bonds. Therefore, any such recovery from the Debt Service Reserve Fund shall also be allocated by the 2003A Trustee on a pro-rata basis to the Accounts within the Debt Service Fund for the Series 2003A Bonds for payment of the principal and redemption premium, if any, of and the interest on all of the Series 2003A Bonds.

(iii) As a result of the parity nature of the Series 2004A Outstanding Obligations, the Loan Repayments to be made by the Series 2004A Borrowers shall be allocated by the 2004A Trustee on a pro-rata basis to the Accounts within the Revenue Fund, and thereafter the Debt Service Fund (as such terms are defined in the Series 2004A Bond Resolution), for each such Series 2004A Outstanding Obligations for payment of the principal and redemption premium, if any, of and the interest on all of such Series 2004A Outstanding Obligations. Further, the issuance of the Series 2020A-R1 Refunding Bonds or any other Series 2004A Outstanding Obligations shall have no effect on the rights of the 2004A Trustee and the Holders of the Series 2004A Outstanding Obligations to recover any deficiency in amounts on deposit in the Debt Service Fund on any Interest Payment Date caused by any reason, including, without limitation, the deficiency in Loan Repayments of one or more Series 2004A Borrowers, from amounts on deposit in the Debt Service Reserve Fund, which rights shall be limited to the unused portion of any such Series 2004A Borrower’s Allocable Share of the Debt Service Reserve Fund as set forth in Article V of the Original 2004A Bond Resolution, as amended and supplemented, and further limited to the payment of the principal and redemption premium, if any of and the interest on the Series 2004A Bonds and the Series 2007C Refunding Bonds. Therefore, any such recovery from the Debt Service Reserve Fund shall also be allocated by the 2004A Trustee on a pro-rata basis to the Accounts within the Debt Service Fund for the Series 2004A Bonds and the Series 2007C Refunding Bonds for payment of the principal and redemption premium, if any, of and the interest on all of the Series 2004A Bonds and the Series 2007C Refunding Bonds.
(iv) As a result of the parity nature of the Series 2006A Outstanding Obligations, the Loan Repayments to be made by the Series 2006A Borrowers shall be allocated by the 2006A Trustee on a pro-rata basis to the Accounts within the Revenue Fund, and thereafter the Debt Service Fund (as such terms are defined in the Series 2006A Bond Resolution), for each such Series 2006A Outstanding Obligations for payment of the principal and redemption premium, if any, of and the interest on all of such Series 2006A Outstanding Obligations. Further, the issuance of the Series 2020A-R1 Refunding Bonds or any other Series 2006A Outstanding Obligations shall have no effect on the rights of the 2006A Trustee and the Holders of the Series 2006A Outstanding Obligations to recover any deficiency in amounts on deposit in the Debt Service Fund on any Interest Payment Date caused by any reason, including, without limitation, the deficiency in Loan Repayments of one or more Series 2006A Borrowers, from amounts on deposit in the Debt Service Reserve Fund, which rights shall be limited to the unused portion of any such Series 2006A Borrower’s Allocable Share of the Debt Service Reserve Fund as set forth in Article V of the Original 2006A Bond Resolution, as amended and supplemented, and further limited to the payment the principal and redemption premium, if any of and the interest on the Series 2006A Bonds. Therefore, any such recovery from the Debt Service Reserve Fund shall also be allocated by the 2006A Trustee on a pro-rata basis to the Accounts within the Debt Service Fund for the Series 2006A Bonds for payment of the principal and redemption premium, if any, of and the interest on all of the Series 2006A Bonds.

(D) (i) Upon issuance of the Series 2020A-R1 Refunding Bonds, the aggregate of the sum of the principal amounts of the Series 2002A Outstanding Obligations shall be equal to or less than the aggregate principal amount of the Series 2002A Borrower I-Bank Loan Bonds that are outstanding as of such date of issuance of the Series 2020A-R1 Refunding Bonds. Upon the allocation of the Savings to the Series 2002A Borrowers through the Savings Credits and to the I-Bank through the Withheld Savings, if any, the aggregate principal amount of the Series 2002A Borrower I-Bank Loan Bonds, net of the Savings Credits and the Withhold Savings, if any, to the extent and as applied to the aggregate principal payment obligations of the Series 2002B Borrowers with respect to the aggregate Series 2002A I-Bank Loans, shall equal the aggregate principal amount of the Series 2002A Outstanding Obligations. Notwithstanding any provision to the contrary in the Series 2002A Bond Resolution and in light of the foregoing, to the extent there is an acceleration of the then Outstanding Series 2002A Outstanding Obligations, the 2002A I-Trustee might receive Loan Repayments earmarked to pay the principal amount of the accelerated Outstanding Series 2002A Outstanding Obligations in excess of said Outstanding Series 2002A Outstanding Obligations. In such case, any such excess amount shall be deposited by the 2002A Trustee in the General Fund (as such term is defined pursuant to the Series 2002A Bond Resolution) to be used by the I-Bank free and clear of any lien created Pursuant to the Series 2002A Bond Resolution for any corporate purpose of the I-Bank.

(ii) Upon issuance of the Series 2020A-R1 Refunding Bonds, the aggregate of the sum of the principal amounts of the Series 2003A Outstanding Obligations shall be equal to or less than the aggregate principal amount of the Series 2003A Borrower I-Bank Loan Bonds that are outstanding as of such date of issuance of the Series 2020A-R1 Refunding Bonds. Upon the allocation of the Savings to the Series 2003A Borrowers through the Savings Credits and to the I-Bank through the Withheld Savings, if any, the aggregate principal amount of the Series 2003A Borrower I-Bank Loan Bonds, net of the Savings Credits and the Withhold Savings, if
any, to the extent and as applied to the aggregate principal payment obligations of the Series 2003B Borrowers with respect to the aggregate Series 2003A I-Bank Loans, shall equal the aggregate principal amount of the Series 2003A Outstanding Obligations. Notwithstanding any provision to the contrary in the Series 2003A Bond Resolution and in light of the foregoing, to the extent there is an acceleration of the then Outstanding Series 2003A Outstanding Obligations, the 2003A Trustee might receive Loan Repayments earmarked to pay the principal amount of the accelerated Outstanding Series 2003A Outstanding Obligations in excess of said Outstanding Series 2003A Outstanding Obligations. In such case, any such excess amount shall be deposited by the 2003A Trustee in the General Fund (as such term is defined pursuant to the Series 2003A Bond Resolution) to be used by the I-Bank free and clear of any lien created under the Series 2003A Bond Resolution for any corporate purpose of the I-Bank.

(iii) Upon issuance of the Series 2004A-R1 Refunding Bonds, the aggregate of the sum of the principal amounts of the Series 2004A Outstanding Obligations shall be equal to or less than the aggregate principal amount of the Series 2004A Borrower I-Bank Loan Bonds that are outstanding as of such date of issuance of the Series 2004A-R1 Refunding Bonds. Upon the allocation of the Savings to the Series 2004A Borrowers through the Savings Credits and to the I-Bank through the Withheld Savings, if any, the aggregate principal amount of the Series 2004A Borrower I-Bank Loan Bonds, net of the Savings Credits and the Withhold Savings, if any, to the extent and as applied to the aggregate principal payment obligations of the Series 2004B Borrowers with respect to the aggregate Series 2004A I-Bank Loans, shall equal the aggregate principal amount of the Series 2004A Outstanding Obligations. Notwithstanding any provision to the contrary in the Series 2004A Bond Resolution and in light of the foregoing, to the extent there is an acceleration of the then Outstanding Series 2004A Outstanding Obligations, the 2004A Trustee might receive Loan Repayments earmarked to pay the principal amount of the accelerated Outstanding Series 2004A Outstanding Obligations in excess of said Outstanding Series 2004A Outstanding Obligations. In such case, any such excess amount shall be deposited by the 2004A Trustee in the General Fund (as such term is defined pursuant to the Series 2004A Bond Resolution) to be used by the I-Bank free and clear of any lien created under the Series 2004A Bond Resolution for any corporate purpose of the I-Bank.

(iv) Upon issuance of the Series 2006A-R1 Refunding Bonds, the aggregate of the sum of the principal amounts of the Series 2006A Outstanding Obligations shall be equal to or less than the aggregate principal amount of the Series 2006A Borrower I-Bank Loan Bonds that are outstanding as of such date of issuance of the Series 2006A-R1 Refunding Bonds. Upon the allocation of the Savings to the Series 2006A Borrowers through the Savings Credits and to the I-Bank through the Withheld Savings, if any, the aggregate principal amount of the Series 2006A Borrower I-Bank Loan Bonds, net of the Savings Credits and the Withhold Savings, if any, to the extent and as applied to the aggregate principal payment obligations of the Series 2006A Borrowers with respect to the aggregate Series 2006A I-Bank Loans, shall equal the aggregate principal amount of the Series 2006A Outstanding Obligations. Notwithstanding any provision to the contrary in the Series 2006A Bond Resolution and in light of the foregoing, to the extent there is an acceleration of the then Outstanding Series 2006A Outstanding Obligations, the 2006A Trustee might receive Loan Repayments earmarked to pay the principal amount of the accelerated Outstanding Series 2006A Outstanding Obligations in excess of said Outstanding Series 2006A Outstanding Obligations. In such case, any such excess amount shall be deposited
by the 2006A Trustee in the General Fund (as such term is defined pursuant to the Series 2006A Bond Resolution) to be used by the I-Bank free and clear of any lien created under the Series 2006A Bond Resolution for any corporate purpose of the I-Bank.

(E) (i) The 2002A Trustee is hereby authorized and directed to allocate the 2002A Savings, in the amounts, at the times and to the Series 2002A Borrowers, through the application of the 2002A Savings, other than the Withheld Savings, if any, as set forth in the Savings Credit Schedules, as a credit to the Loan Repayments otherwise due from such Series 2002A Borrower on each such Loan Repayment date specified in such Savings Credit Schedule.

(ii) The 2003A Trustee is hereby authorized and directed to allocate the 2003A Savings, in the amounts, at the times and to the Series 2003A Borrowers, through the application of the 2003A Savings, other than the Withheld Savings, if any, as set forth in the Savings Credit Schedules, as a credit to the Loan Repayments otherwise due from such Series 2003A Borrower on each such Loan Repayment date specified in such Savings Credit Schedule.

(iii) The 2004A Trustee is hereby authorized and directed to allocate the 2004A Savings, in the amounts, at the times and to the Series 2004A Borrowers, through the application of the 2004A Savings, other than the Withheld Savings, if any, as set forth in the Savings Credit Schedules, as a credit to the Loan Repayments otherwise due from such Series 2004A Borrower on each such Loan Repayment date specified in such Savings Credit Schedule.

(iv) The 2006A Trustee is hereby authorized and directed to allocate the 2006A Savings, in the amounts, at the times and to the Series 2006A Borrowers, through the application of the 2006A Savings, other than the Withheld Savings, if any, as set forth in the Savings Credit Schedules, as a credit to the Loan Repayments otherwise due from such Series 2006A Borrower on each such Loan Repayment date specified in such Savings Credit Schedule.

(F) (i) On the date that is no more than 180 days after the date of issuance of the Series 2020A-R1 Refunding Bonds, any moneys remaining in the Costs of Issuance Account in the Operating Expense Fund (as such term is defined in the Series 2002A Bond Resolution) shall be paid by the I-Bank to the 2002A Trustee for deposit in the Debt Service Fund (as such term is defined in the Series 2002A Bond Resolution) to be used to pay interest on the Series 2002A Allocable Portion on the first available Interest Payment Date.

(ii) On the date that is no more than 180 days after the date of issuance of the Series 2020A-R1 Refunding Bonds, any moneys remaining in the Costs of Issuance Account in the Operating Expense Fund (as such term is defined in the Series 2003A Bond Resolution) shall be paid by the I-Bank to the 2003A Trustee for deposit in the Debt Service Fund (as such term is defined in the Series 2003A Bond Resolution) to be used to pay interest on the Series 2003A Allocable Portion on the first available Interest Payment Date.

(iii) On the date that is no more than 180 days after the date of issuance of the Series 2020A-R1 Refunding Bonds, any moneys remaining in the Costs of Issuance Account in the Operating Expense Fund (as such term is defined in the Series 2004A Bond Resolution) shall be paid by the I-Bank to the 2004A Trustee for deposit in the Debt Service Fund (as such term is
defined in the Series 2004A Bond Resolution) to be used to pay interest on the Series 2004A Allocable Portion on the first available Interest Payment Date.

(iv) On the date that is no more than 180 days after the date of issuance of the Series 2020A-R1 Refunding Bonds, any moneys remaining in the Costs of Issuance Account in the Operating Expense Fund (as such term is defined in the Series 2006A Bond Resolution) shall be paid by the I-Bank to the 2006A Trustee for deposit in the Debt Service Fund (as such term is defined in the Series 2006A Bond Resolution) to be used to pay interest on the Series 2006A Allocable Portion on the first available Interest Payment Date.

SECTION 2.03. Authorization and Terms of the Series 2020A-R1 Refunding Bonds.

(A) The I-Bank hereby authorizes the issuance of the Series 2020A-R1 Refunding Bonds in the aggregate principal amount not to exceed an amount such that the aggregate principal amount of the Series 2002A Outstanding Obligations, the Series 2003A Outstanding Obligations, the Series 2004A Outstanding Obligations and the Series 2006A Outstanding Obligations equals the aggregate principal amount of the Outstanding Borrower I-Bank Loan Bonds (after taking into account the allocation of the Savings to the Borrowers through the Savings Credits and to the I-Bank through the Withheld Savings, if any), and in the exact principal amount as set forth in a Certificate of an Authorized Officer of the I-Bank pursuant to Section 6.01 hereof, for the following purposes: (1) the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded; and (2) the payment of certain expenses incurred in connection with the issuance of the Series 2020A-R1 Refunding Bonds; provided that:

(i) the aggregate principal amount of the 2002A Allocable Portion shall not exceed an amount such that the aggregate principal amount of the Series 2002A Outstanding Obligations equals the aggregate principal amount of the Outstanding Series 2002A Borrower I-Bank Loan Bonds (after taking into account the allocation of the 2002A Savings to (A) the Series 2002A Borrowers through the Savings Credits and (B) the I-Bank through the Withheld Savings, if any);

(ii) the aggregate principal amount of the 2003A Allocable Portion shall not exceed an amount such that the aggregate principal amount of the Series 2003A Outstanding Obligations equals the aggregate principal amount of the Outstanding Series 2003A Borrower I-Bank Loan Bonds (after taking into account the allocation of the 2003A Savings to (A) the Series 2003A Borrowers through the Savings Credits and (B) the I-Bank through the Withheld Savings, if any);

(iii) the aggregate principal amount of the 2004A Allocable Portion shall not exceed an amount such that the aggregate principal amount of the Series 2004A Outstanding Obligations equals the aggregate principal amount of the Outstanding Series 2004A Borrower I-Bank Loan Bonds (after taking into account the allocation of the 2004A Savings to (a) the Series 2004A Borrowers through the Savings Credits and (B) the I-Bank through the Withheld Savings, if any);
(iv) the aggregate principal amount of the 2006A Allocable Portion shall not exceed an amount such that the aggregate principal amount of the Series 2006A Outstanding Obligations equals the aggregate principal amount of the Outstanding Series 2006A Borrower I-Bank Loan Bonds (after taking into account the allocation of the 2006A Savings to (A) the Series 2006A Borrowers through the Savings Credits and (B) the I-Bank through the Withheld Savings, if any);

Notwithstanding any provision of this Section 2.03(A) or this Series 2020A-R1 Refunding Supplemental Bond Resolution to the contrary, the Series 2020A-R1 Refunding Bonds shall not be issued by the I-Bank until satisfaction in full of the I-Bank Conditions Precedent.

(B) The Series 2020A-R1 Refunding Bonds shall bear interest from the date of issuance thereof until final maturity (stated or otherwise) based upon the Outstanding principal amount thereof at the per annum interest rates set forth below payable to the registered owners thereof as of each applicable Record Date and payable initially on September 1, 2020 and semiannually thereafter on March 1 and September 1 in each year until final maturity (stated or otherwise). Interest on the Series 2020A-R1 Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months. The Series 2020A-R1 Refunding Bonds shall mature in the principal amounts and on September 1 in each of the years set forth below. The principal of and interest on the Series 2020A-R1 Refunding Bonds shall, except as provided in Article II of this Series 2020A-R1 Refunding Supplemental Bond Resolution, be payable as otherwise provided in each of the Original Bond Resolutions, as respectively amended and supplemented. Except as provided in subsection (D) and Section 2.09 below, interest shall be paid to the registered owner as of the applicable Record Date by check mailed on any applicable Interest Payment Date.

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Year</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
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<td>__.000%</td>
</tr>
<tr>
<td>2022</td>
<td>[__000]</td>
<td>__.000%</td>
<td>2024</td>
<td>[__000]</td>
<td>__.000%</td>
</tr>
</tbody>
</table>

(i) The 2002A Allocable Portion shall consist of that portion of the Series 2020A-R1 Refunding Bonds maturing on the dates and in the principal amounts set forth in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
</tr>
</tbody>
</table>
(ii) The 2003A Allocable Portion shall consist of that portion of the Series 2020A-R1 Refunding Bonds maturing on the dates and in the principal amounts set forth in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td></td>
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<tr>
<td>2022</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
</tr>
</tbody>
</table>

(iii) The 2004A Allocable Portion shall consist of that portion of the Series 2020A-R1 Refunding Bonds maturing on the dates and in the principal amounts set forth in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
</tr>
</tbody>
</table>

(iv) The 2006A Allocable Portion shall consist of that portion of the Series 2020A-R1 Refunding Bonds maturing on the dates and in the principal amounts set forth in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td></td>
</tr>
</tbody>
</table>

(C) The Series 2020A-R1 Refunding Bonds shall be dated the date of issuance thereof, shall be numbered with the prefix 2020A-R1 from R-1 consecutively upward, and will be issued in fully registered form. When issued, the Series 2020A-R1 Refunding Bonds will be registered in the name of and held by Cede & Co., as the registered owner thereof and nominee for DTC. Upon issuance, the Series 2020A-R1 Refunding Bonds will be delivered to DTC in single denominations for each maturity thereof. Purchases of the Series 2020A-R1 Refunding Bonds will be made in book-entry form (without certificates) in denominations of $5,000 each or any integral multiple thereof. The Series 2020A-R1 Refunding Bonds will be issued in denominations of $5,000 each or any integral multiple thereof.

Notwithstanding any other provision in any of the Original Bond Resolutions, the Series 2010A Refunding Supplemental Bond Resolution or this Series 2020A-R1 Refunding Supplemental Bond Resolution to the contrary, so long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2020A-R1 Refunding Bonds, payments of the principal of and interest on the Series 2020A-R1 Refunding Bonds will be made directly to Cede & Co., as nominee for DTC, in accordance with the provisions of the DTC Representation Letter and Section 2.09 hereof, and interest shall be paid on each Interest Payment Date by wire transfer from the Series 2020A-R1 Refunding Fiduciary to DTC. Disbursal of such payments to the DTC.
participants is the responsibility of DTC, and disbursal of such payments to the beneficial owners of the Series 2020A-R1 Refunding Bonds is the responsibility of the DTC participants.


(A) Optional Redemption. The Series 2020A-R1 Refunding Bonds are not subject to optional redemption prior to their stated maturities.

(B) Mandatory Sinking Fund Redemption. The Series 2020A-R1 Refunding Bonds are not subject to mandatory sinking fund redemption prior to their stated maturities.

SECTION 2.05. Form of Series 2020A-R1 Refunding Bonds. The Series 2020A-R1 Refunding Bonds shall be in substantially the form set forth in Exhibit B attached hereto and made a part hereof, with such insertions, omissions or variations as may be necessary or appropriate to effectuate the purposes of this Series 2020A-R1 Refunding Supplemental Bond Resolution, including, without limitation, the dated dates, maturity dates, principal or sinking fund amounts, interest rates and redemption provisions set forth herein, and including, without limitation, the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded.

SECTION 2.06. Execution, Authentication and Delivery; Assignment of Certain Duties to the Series 2020A-R1 Refunding Fiduciary.

(A) The Chairperson, the Vice Chairperson and the Secretary of the I-Bank are each hereby severally authorized and directed to execute the Series 2020A-R1 Refunding Bonds, and the Secretary (except in the event that the Secretary has executed the Series 2020A-R1 Refunding Bonds) and Assistant Secretary of the I-Bank are hereby severally authorized and directed to attest to the execution of the Series 2020A-R1 Refunding Bonds by the Chairperson, the Vice Chairperson or the Secretary of the I-Bank and to affix the corporate seal of the I-Bank upon the Series 2020A-R1 Refunding Bonds, all in accordance with Article III of each of the Original Bond Resolutions, as amended and supplemented. Following execution of the Series 2020A-R1 Refunding Bonds, any Authorized Officer is hereby authorized to deliver the Series 2020A-R1 Refunding Bonds to the 2020A-R1 Refunding Fiduciary for authentication.

(B) With respect to the Series 2020A-R1 Refunding Bonds, the I-Bank hereby assigns to the Series 2020A-R1 Refunding Fiduciary (i) the duties assigned to the 2002A Trustee pursuant to Sections 3.03, 3.04, 3.05, 3.06, 3.07, 3.08 and Article IV of the Original 2002A Bond
Resolution, as amended and supplemented, (ii) the duties assigned to the 2003A Trustee pursuant to Sections 3.03, 3.04, 3.05, 3.06, 3.07, 3.08 and Article IV of the Original 2003A Bond Resolution, as amended and supplemented, (iii) the duties assigned to the 2004A Trustee pursuant to Sections 3.03, 3.04, 3.05, 3.06, 3.07, 3.08 and Article IV of the Original 2004A Bond Resolution, as amended and supplemented, and (iv) the duties assigned to the 2006A Trustee pursuant to Sections 3.03, 3.04, 3.05, 3.06, 3.07, 3.08 and Article IV of the Original 2006A Bond Resolution, as amended and supplemented. Performance of such duties by the Series 2020A-R1 Refunding Fiduciary with respect to the Series 2020A-R1 Refunding Bonds shall be deemed to satisfy the requirements of such Sections of the respective Original Bond Resolutions with respect to the Series 2020A-R1 Refunding Bonds.

(C) The Series 2020A-R1 Refunding Fiduciary is hereby authorized and directed to authenticate the Series 2020A-R1 Refunding Bonds in accordance with Article III of each of the Original Bond Resolutions, as amended and supplemented, and Section 2.06(B) hereof, and thereafter deliver the Series 2020A-R1 Refunding Bonds to the I-Bank or purchaser thereof in accordance with a Certificate of an Authorized Officer, but such delivery shall not occur unless (i) the I-Bank Conditions Precedent have been satisfied in full and (ii) the provisions of Article II of the each of the Original Bond Resolutions, as amended and supplemented, regarding conditions precedent to the issuance of a Series of Bonds, have been satisfied in full.

SECTION 2.07. Refunding Bonds. After execution of the Series 2020A-R1 Refunding Bonds by the I-Bank as provided in each of the Original Bond Resolutions, as amended and supplemented, including as amended and supplemented by this Series 2020A-R1 Refunding Supplemental Bond Resolution, and after the authentication and delivery thereof as also provided in each of the Original Bond Resolutions, as amended and supplemented, including as amended and supplemented by this Series 2020A-R1 Refunding Supplemental Bond Resolution, (1) the 2002A Allocable Portion shall constitute Refunding Bonds in accordance with Article II of the Original 2002A Bond Resolution, as amended and supplemented, (ii) the 2003A Allocable Portion shall constitute Refunding Bonds in accordance with Article II of the Original 2003A Bond Resolution, as amended and supplemented, (iii) the 2004A Allocable Portion shall constitute Refunding Bonds in accordance with Article II of the Original 2004A Bond Resolution, as amended and supplemented, and (iv) the 2006A Allocable Portion shall constitute Refunding Bonds in accordance with Article II of the Original 2006A Bond Resolution, as amended and supplemented.

SECTION 2.08. Payment with Respect to Allocable Portions; Payment with Respect to Series 2020A-R1 Refunding Bonds.

(A) (i) The principal of the 2002A Allocable Portion shall be payable by the 2002A Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program I-Bank Agreement), to the Series 2020A-R1 Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2002A Trustee and the Series 2020A-R1 Refunding Fiduciary. Interest on the 2002A Allocable Portion shall be payable by the 2002A Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program I-Bank Agreement), to the Series 2020A-R1 Refunding Fiduciary, by electronic transfer of funds.
or in such other manner as shall be acceptable to the 2002A Trustee and the Series 2020A-R1 Refunding Fiduciary.

**ii** The principal of the 2003A Allocable Portion shall be payable by the 2003A Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program I-Bank Agreement), to the Series 2020A-R1 Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2003A Trustee and the Series 2020A-R1 Refunding Fiduciary. Interest on the 2003A Allocable Portion shall be payable by the 2003A Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program I-Bank Agreement), to the Series 2020A-R1 Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2003A Trustee and the Series 2020A-R1 Refunding Fiduciary.

**iii** The principal of the 2004A Allocable Portion shall be payable by the 2004A Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program I-Bank Agreement), to the Series 2020A-R1 Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2004A Trustee and the Series 2020A-R1 Refunding Fiduciary. Interest on the 2004A Allocable Portion shall be payable by the 2004A Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program I-Bank Agreement), to the Series 2020A-R1 Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2004A Trustee and the Series 2020A-R1 Refunding Fiduciary.

**iv** The principal of the 2006A Allocable Portion shall be payable by the 2006A Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program I-Bank Agreement), to the Series 2020A-R1 Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2006A Trustee and the Series 2020A-R1 Refunding Fiduciary. Interest on the 2006A Allocable Portion shall be payable by the 2006A Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program I-Bank Agreement), to the Series 2020A-R1 Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2006A Trustee and the Series 2020A-R1 Refunding Fiduciary.

**B** The principal of the Series 2020A-R1 Refunding Bonds shall be payable to the Holders thereof upon presentation and surrender thereof at the principal office of The Series 2020A-R1 Refunding Fiduciary. The principal of all Series 2020A-R1 Refunding Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Series 2020A-R1 Refunding Fiduciary as permitted by this Series 2020A-R1 refunding Supplemental Bond Resolution. Interest on the Series 2020A-R1 Refunding Bonds shall be payable by check or draft of the Series 2020A-R1 Refunding Fiduciary, mailed or transmitted, respectively, to the Holders thereof as the same appear as of the Record Date on the books of the I-Bank maintained by the Series 2020A-R1 Refunding Fiduciary. However, so long as the Series 2020A-R1 Refunding Bonds are held in book-entry-only form pursuant to Section
2.09 hereof, the provisions of Section 2.09 shall govern the payment of principal of, and interest on, the Series 2020A-R1 Refunding Bonds.


(A) Except as provided in subparagraph (C) of this Section 2.09, the registered Holder of all of the Series 2020A-R1 Refunding Bonds shall be, and the Series 2020A-R1 Refunding Bonds shall be registered in the name of, Cede & Co. as nominee of DTC. Payment of semiannual interest for any Series 2020A-R1 Refunding Bond shall be made by wire transfer to the account of Cede & Co. on the Interest Payment Date for the Series 2020A-R1 Refunding Bonds at the address indicated for Cede & Co. in the registry books of the I-Bank kept by the Series 2020A-R1 Refunding Fiduciary.

(B) The Series 2020A-R1 Refunding Bonds shall be issued initially in the form of a separate single fully registered Bond in the amount of the aggregate principal amount of each separate stated maturity of the Series 2020A-R1 Refunding Bonds. Upon initial issuance, the ownership of each such Series 2020A-R1 Refunding Bond shall be registered in the registry books of the I-Bank kept by the Series 2020A-R1 Refunding Fiduciary in the name of Cede & Co., as nominee of DTC. With respect to Series 2020A-R1 Refunding Bonds registered in the registry books kept by the Series 2020A-R1 Refunding Fiduciary in the name of Cede & Co., as nominee of DTC, the I-Bank and the Series 2020A-R1 Refunding Fiduciary shall have no responsibility or obligation to any participant or to any beneficial owner of such Series 2020A-R1 Refunding Bonds. Without limiting the immediately preceding sentence, the I-Bank and the Series 2020A-R1 Refunding Fiduciary shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any participant with respect to any beneficial ownership interest in the Series 2020A-R1 Refunding Bonds, (ii) the delivery to any participant, any beneficial owner or any other person, other than DTC, of any notice with respect to the Series 2020A-R1 Refunding Bonds, including any notice of redemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than DTC, of any amount with respect to the principal of, or interest on, the Series 2020A-R1 Refunding Bonds. The I-Bank and the Series 2020A-R1 Refunding Fiduciary may treat as, and deem DTC to be, the absolute owner of each Series 2020A-R1 Refunding Bond for the purpose of payment of the principal of, and interest on, each such Series 2020A-R1 Refunding Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2020A-R1 Refunding Bonds, for the purpose of registering transfers with respect to such Series 2020A-R1 Refunding Bonds and for all other purposes whatsoever. The Series 2020A-R1 Refunding Fiduciary shall pay all principal of, and interest on, the Series 2020A-R1 Refunding Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the I-Bank’s obligations with respect to the principal of, and interest on, the Series 2020A-R1 Refunding Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive a Series 2020A-R1 Refunding Bond evidencing the obligation of the I-Bank to make payments of principal of, and interest on, the Series 2020A-R1 Refunding Bonds pursuant to this Bond Resolution. Upon delivery by DTC to the Series 2020A-R1 Refunding Fiduciary of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the term “Cede & Co.” in this Series 2010 Refunding Supplemental Bond Resolution shall refer to such new nominee of DTC.
(C) (i) DTC may determine to discontinue providing its services with respect to the Series 2020A-R1 Refunding Bonds at any time by giving written notice to the I-Bank and the Series 2020A-R1 Refunding Fiduciary and discharging its responsibilities with respect thereto under applicable law.

(ii) The I-Bank, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2020A-R1 Refunding Bonds if the I-Bank so determines, and shall terminate the services of DTC with respect to the Series 2020A-R1 Refunding Bonds upon receipt by the I-Bank and the Series 2020A-R1 Refunding Fiduciary of written notice from DTC to the effect that DTC has received written notice from participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Series 2020A-R1 Refunding Bonds to the effect that: (1) DTC is unable to discharge its responsibilities with respect to the Series 2020A-R1 Refunding Bonds; or (2) a continuation of the requirement that all of the Outstanding Series 2020A-R1 Refunding Bonds be registered in the registration books kept by the Series 2020A-R1 Refunding Fiduciary in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2020A-R1 Refunding Bonds.

(iii) Upon the termination of the services of DTC with respect to the Series 2020A-R1 Refunding Bonds pursuant to subsection 2.09(C)(ii)(2) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2020A-R1 Refunding Bonds pursuant to subsection 2.09(C)(i) or subsection 2.09(C)(ii)(1) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the I-Bank, is willing and able to undertake such functions upon reasonable and customary terms, the Series 2020A-R1 Refunding Bonds shall no longer be restricted to being registered in the registration books kept by the Series 2020A-R1 Refunding Fiduciary in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Series 2020A-R1 Refunding Bonds shall designate, in accordance with the provisions hereof.

(D) Notwithstanding any other provision of this Series 2020A-R1 Refunding Supplemental Bond Resolution to the contrary, so long as any Series 2020A-R1 Refunding Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, and interest on, such Series 2020A-R1 Refunding Bond and all notices with respect to such Series 2020A-R1 Refunding Bond shall be made and given, respectively, to DTC as provided in the representation letter of the I-Bank and the Series 2020A-R1 Refunding Fiduciary addressed to DTC with respect to the Series 2020A-R1 Refunding Bonds.

(E) In connection with any notice or other communication to be provided to Bondholders pursuant to this Series 2020A-R1 Refunding Supplemental Bond Resolution by the I-Bank or the Series 2020A-R1 Refunding Fiduciary with respect to any consent or other action to be taken by Bondholders, the I-Bank or the Series 2020A-R1 Refunding Fiduciary, as the case may be, shall establish a record date for such consent or other action and give DTC notice of
such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.
ARTICLE III
CREATION AND ESTABLISHMENT OF ESCROW FUNDS
AND SEPARATE ACCOUNTS WITHIN ALL FUNDS;
APPLICATION OF SERIES 2020A-R1 REFUNDING
BOND PROCEEDS AND TAX CERTIFICATE

SECTION 3.01. Creation of Escrow Fund, Separate Accounts within all Funds and Certain Other Accounts and Funds.

(A) The I-Bank hereby creates for the sole benefit of the Holders of the Series 2010A Bonds to be Refunded, in accordance with the terms of the Defeased Series 2010A Bond Escrow Deposit Agreement, a special and irrevocable escrow fund designated “Defeased Environmental Infrastructure Refunding Bonds, Series 2010A Escrow Fund (2020)” (the “Defeased Series 2010A Bond Escrow Fund”).

(B) (i) Section 5.01 of the Original 2002A Bond Resolution is hereby amended and supplemented as follows: The I-Bank hereby directs the 2002A Trustee to establish separate subaccounts for the 2002A Allocable Portion within each Account created under the Series 2002A Bond Resolution that is held by the 2002A Trustee. The I-Bank hereby further directs the 2002A Trustee to establish separate Accounts for the 2002A Allocable Portion within each Fund created under the Series 2002A Bond Resolution that is held by the 2002A Trustee. The I-Bank is hereby authorized and directed to establish separate subaccounts within each Account created under the Series 2002A Bond Resolution that is held by the I-Bank. The I-Bank is hereby authorized and directed to establish separate Accounts within each Fund created under the Series 2002A Bond Resolution that is held by the I-Bank.

(ii) Section 5.01 of the Original 2003A Bond Resolution is hereby amended and supplemented as follows: The I-Bank hereby directs the 2003A Trustee to establish separate subaccounts for the 2003A Allocable Portion within each Account created under the Series 2003A Bond Resolution that is held by the 2003A Trustee. The I-Bank hereby further directs the 2003A Trustee to establish separate Accounts for the 2003A Allocable Portion within each Fund created under the Series 2003A Bond Resolution that is held by the 2003A Trustee. The I-Bank is hereby authorized and directed to establish separate subaccounts within each Account created under the Series 2003A Bond Resolution that is held by the I-Bank. The I-Bank is hereby authorized and directed to establish separate Accounts within each Fund created under the Series 2003A Bond Resolution that is held by the I-Bank.

(iii) Section 5.01 of the Original 2004A Bond Resolution is hereby amended and supplemented as follows: The I-Bank hereby directs the 2004A Trustee to establish separate subaccounts for the 2004A Allocable Portion within each Account created under the Series 2004A Bond Resolution that is held by the 2004A Trustee. The I-Bank hereby further directs the 2004A Trustee to establish separate Accounts for the 2004A Allocable Portion within each Fund created under the Series 2004A Bond Resolution that is held by the 2004A Trustee. The I-Bank is hereby authorized and directed to establish separate subaccounts within each Account created under the Series 2004A Bond Resolution that is held by the I-Bank. The I-Bank is hereby

-28-
authorized and directed to establish separate Accounts within each Fund created under the Series 2004A Bond Resolution that is held by the I-Bank.

(iv) Section 5.01 of the Original 2006A Bond Resolution is hereby amended and supplemented as follows: The I-Bank hereby directs the 2006A Trustee to establish separate subaccounts for the 2006A Allocable Portion within each Account created under the Series 2006A Bond Resolution that is held by the 2006A Trustee. The I-Bank hereby further directs the 2006A Trustee to establish separate Accounts for the 2006A Allocable Portion within each Fund created under the Series 2006A Bond Resolution that is held by the 2006A Trustee. The I-Bank is hereby authorized and directed to establish separate Accounts within each Fund created under the Series 2006A Bond Resolution that is held by the I-Bank.

SECTION 3.02. Amendment of Section 5.05 of the Original Bond Resolutions; Amendment of Section 5.07(1) of Certain of the Original Bond Resolutions.

(A) Section 5.05 of each of the Original Bond Resolutions is hereby amended and supplemented to include at the end thereof the following paragraph 6:

“6. On each Interest Payment Date, after giving effect to the transfers set forth in paragraphs (1) through (4) of this Section 5.05, the Trustee shall transfer from amounts in the SRF Account and the non-SRF Account of the Revenue Fund to the Administrative Fee Account an amount equal to the aggregate of the Withheld Savings, if any, with respect to such Interest Payment Date, as set forth on the Savings Credit Schedule, which Withheld Savings, if any, shall be applied by the I-Bank in accordance with the provisions of Section 5.03(4) hereof.”

(B) Section 5.07(1) of the Original 2002A Bond Resolution is hereby amended and restated in its entirety as follows:

“Whenever a Borrower shall notify the I-Bank or the Trustee in writing, or whenever the I-Bank or Trustee shall determine, that a Borrower is deficient in the payment of an I-Bank Bond Loan Repayment and that such deficiency cannot be satisfied from other Loan Repayments, State Loan Repayments or other amounts payable thereunder that have been transferred to the Revenue Fund or the Debt Service Fund and that such deficiency cannot be satisfied from amounts payable by the Master Program Trustee from amounts on deposit in the Master Program I-Bank Account (and all Subaccounts as defined therein) in accordance with the terms of the Master Program I-Bank Agreement, the Trustee shall transfer from the SRF Account or non-SRF Account, as applicable, of the Debt Service Reserve Fund on the Interest Payment Date or maturity date or Sinking Fund Installment due date, as the case may be, the amount of such deficiency to the appropriate account in the Debt Service Fund; provided, however, that amounts transferred from the Debt Service Reserve Fund to the Debt Service Fund pursuant to this Section 5.07(1) shall be applied only to the payment of interest, principal and/or Sinking Fund Installments, as the case may be, with respect to the Series 2002A
Bonds, the Series 2007B Refunding Bonds and any Subsequent Refunding Bonds with respect to which the portion of the Debt Service Reserve Requirement calculated pursuant to paragraph (2) of the definition thereof shall be greater than $0.00; and further provided, however, that the Trustee may only transfer such amount which, when added to the difference between (i) all prior transfers made from the Debt Service Reserve Fund as a result of deficient I-Bank Bond Loan Repayments by said Borrower and (ii) all repayments made by, or on behalf of, the Borrower pursuant to the second paragraph of Section 3.04 of the Applicable Loan Agreement, does not exceed said Borrower’s pro rata share of the Debt Service Reserve Fund. A Borrower’s pro rata share of the Debt Service Reserve Fund shall be an amount equal to the product of: (a) the Debt Service Reserve Requirement and (b) said Borrower’s Allocable Share as set forth on Schedule I attached hereto.”

(C) Section 5.07(1) of the Original 2003A Bond Resolution is hereby amended and restated in its entirety as follows:

“Whenever a Borrower shall notify the I-Bank or the Trustee in writing, or whenever the I-Bank or Trustee shall determine, that a Borrower is deficient in the payment of an I-Bank Bond Loan Repayment and that such deficiency cannot be satisfied from other Loan Repayments, State Loan Repayments or other amounts payable thereunder that have been transferred to the Revenue Fund or the Debt Service Fund and that such deficiency cannot be satisfied from amounts payable by the Master Program Trustee from amounts on deposit in the Master Program I-Bank Account (and all Subaccounts as defined therein) in accordance with the terms of the Master Program I-Bank Agreement, the Trustee shall transfer from the SRF Account or non-SRF Account, as applicable, of the Debt Service Reserve Fund on the Interest Payment Date or maturity date or Sinking Fund Installment due date, as the case may be, the amount of such deficiency to the appropriate account in the Debt Service Fund; provided, however, that amounts transferred from the Debt Service Reserve Fund to the Debt Service Fund pursuant to this Section 5.07(1) shall be applied only to the payment of interest, principal and/or Sinking Fund Installments, as the case may be, with respect to the Series 2003A Bonds and any Refunding Bonds with respect to which the portion of the Debt Service Reserve Requirement calculated pursuant to paragraph (2) of the definition thereof shall be greater than $0.00; and further provided, however, that the Trustee may only transfer such amount which, when added to the difference between (i) all prior transfers made from the Debt Service Reserve Fund as a result of deficient I-Bank Bond Loan Repayments by said Borrower and (ii) all repayments made by, or on behalf of, the Borrower pursuant to the second paragraph of Section 3.04 of the Applicable Loan Agreement, does not exceed said Borrower’s pro rata share of the Debt Service Reserve Fund. A Borrower’s pro rata share of the Debt Service Reserve Fund shall be an amount equal to the product of: (a) the Debt Service Reserve Requirement and (b) said Borrower’s Allocable Share as set forth on Schedule I attached hereto.”

(D) Section 5.07(1) of the Original 2004A Bond Resolution is hereby amended and restated in its entirety as follows:
“Whenever a Borrower shall notify the I-Bank or the Trustee in writing, or whenever the I-Bank or Trustee shall determine, that a Borrower is deficient in the payment of an I-Bank Bond Loan Repayment and that such deficiency cannot be satisfied from other Loan Repayments, State Loan Repayments or other amounts payable thereunder that have been transferred to the Revenue Fund or the Debt Service Fund and that such deficiency cannot be satisfied from amounts payable by the Master Program Trustee from amounts on deposit in the Master Program I-Bank Account (and all Subaccounts as defined therein) in accordance with the terms of the Master Program I-Bank Agreement, the Trustee shall transfer from the SRF Account or non-SRF Account, as applicable, of the Debt Service Reserve Fund on the Interest Payment Date or maturity date or Sinking Fund Installment due date, as the case may be, the amount of such deficiency to the appropriate account in the Debt Service Fund; provided, however, that amounts transferred from the Debt Service Reserve Fund to the Debt Service Fund pursuant to this Section 5.07(1) shall be applied only to the payment of interest, principal and/or Sinking Fund Installments, as the case may be, with respect to the Series 2006A Bonds, the Series 2007C Refunding Bonds and any Subsequent Refunding Bonds with respect to which the portion of the Debt Service Reserve Requirement calculated pursuant to paragraph (2) of the definition thereof shall be greater than $0.00; and further provided, however, that the Trustee may only transfer such amount which, when added to the difference between (i) all prior transfers made from the Debt Service Reserve Fund as a result of deficient I-Bank Bond Loan Repayments by said Borrower and (ii) all repayments made by, or on behalf of, the Borrower pursuant to the second paragraph of Section 3.04 of the Applicable Loan Agreement, does not exceed said Borrower’s pro rata share of the Debt Service Reserve Fund. A Borrower’s pro rata share of the Debt Service Reserve Fund shall be an amount equal to the product of: (a) the Debt Service Reserve Requirement and (b) said Borrower’s Allocable Share as set forth on Schedule I attached hereto.”

(E) Section 5.07(1) of the Original 2006A Bond Resolution is hereby amended and restated in its entirety as follows:

“Whenever a Borrower shall notify the I-Bank or the Trustee in writing, or whenever the I-Bank or Trustee shall determine, that a Borrower is deficient in the payment of an I-Bank Bond Loan Repayment and that such deficiency cannot be satisfied from other Loan Repayments, State Loan Repayments or other amounts payable thereunder that have been transferred to the Revenue Fund or the Debt Service Fund and that such deficiency cannot be satisfied from amounts payable by the Master Program Trustee from amounts on deposit in the Master Program I-Bank Account (and all Subaccounts as defined therein) in accordance with the terms of the Master Program I-Bank Agreement, the Trustee shall transfer from the SRF Account or non-SRF Account, as applicable, of the Debt Service Reserve Fund on the Interest Payment Date or maturity date or Sinking Fund Installment due date, as the case may be, the amount of such deficiency to the appropriate account in the Debt Service Fund; provided, however, that amounts transferred from the Debt Service Reserve Fund to the Debt Service Fund pursuant to this Section 5.07(1) shall be applied only to the payment of interest, principal and/or Sinking Fund Installments, as the case may be, with respect to the Series 2006A
Bonds and any Refunding Bonds with respect to which the portion of the Debt Service Reserve Requirement calculated pursuant to paragraph (2) of the definition thereof shall be greater than $0.00; and further provided, however, that the Trustee may only transfer such amount which, when added to the difference between (i) all prior transfers made from the Debt Service Reserve Fund as a result of deficient I-Bank Bond Loan Repayments by said Borrower and (ii) all repayments made by, or on behalf of, the Borrower pursuant to the second paragraph of Section 3.04 of the Applicable Loan Agreement, does not exceed said Borrower’s pro rata share of the Debt Service Reserve Fund. A Borrower’s pro rata share of the Debt Service Reserve Fund shall be an amount equal to the product of: (a) the Debt Service Reserve Requirement and (b) said Borrower’s Allocable Share as set forth on Schedule I attached hereto.”

SECTION 3.03. Application of the Proceeds of the Series 2020A-R1 Refunding Bonds and Other Moneys. The proceeds of the Series 2020A-R1 Refunding Bonds of $__________ (par of $__________, plus original issue premium of $__________, less underwriters’ discount of $__________), shall be received by the Series 2020A-R1 Refunding Fiduciary, and shall be paid to the respective Series Trustees in accordance with the respective Allocable Portions, in the amounts set forth in a Certificate of an Authorized Officer of the I-Bank. Each of the Series Trustees shall deposit or transfer such respective amounts, together with such amounts on deposit in the respective Funds and Accounts under the respective Series Bond Resolutions as set forth in a Certificate of an Authorized Officer of the I-Bank, into the Funds and Accounts as set forth in a Certificate of an Authorized Officer of the I-Bank, to effect the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded; provided that the origin of moneys for such funds shall comply in all respects with the respective Original Bond Resolutions, as amended and supplemented, and the Code.

SECTION 3.04. Tax Exempt Status of Series 2020A-R1 Refunding Bonds. The I-Bank covenants to comply with the provisions of the Code applicable to the Series 2020A-R1 Refunding Bonds and covenants not to take any action or fail to take any action that would cause the interest on the Series 2020A-R1 Refunding Bonds to become includable in gross income of the owners thereof for Federal income tax purposes under Section 103 of the Code or to become an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In accordance therewith, the I-Bank hereby authorizes and directs an Authorized Officer to execute a tax certificate prior to the issuance of the Series 2020A-R1 Refunding Bonds in such form as specified by Bond Counsel to the I-Bank.
ARTICLE IV

APPOINTMENT OF SERIES 2020A-R1 REFUNDING FIDUCIARY SERIES TRUSTEES, SERIES PAYING AGENTS AND DEFEASED BOND ESCROW AGENTS

SECTION 4.01. Appointment of Series 2020A-R1 Refunding Fiduciary. U.S. Bank National Association, Edison, New Jersey, is hereby appointed Series 2020A-R1 Refunding Fiduciary for the Holders of the Series 2020A-R1 Refunding Bonds. The Series 2020A-R1 Refunding Fiduciary shall signify its acceptance of the duties and obligations imposed upon it by the terms of this Series 2020A-R1 Refunding Supplemental Bond Resolution by executing the certificate of authentication endorsed upon the Series 2020A-R1 Refunding Bonds upon the original issuance thereof. The resignation or removal of, and the appointment of a successor to, the Series 2020A-R1 Refunding Fiduciary and all other provisions relating thereto shall be subject to the relevant provisions relating to the Series Trustees, as set forth in Article X or otherwise of each of the Original Bond Resolutions, as amended and supplemented, the provisions of which are hereby incorporated herein and applied to the Series 2020A-R1 Refunding Fiduciary. The Series 2020A-R1 Refunding Fiduciary shall be entitled to all of the rights, indemnities and protections to which the respective Series Trustees are entitled, as set forth in Article X of each of the Original Bonds Resolutions, as amended and supplemented. Nothing contained in any of the Original Bond Resolutions or this Series 2020A-R1 Refunding Supplemental Bond Resolution shall preclude or prohibit any banking corporation or banking association from simultaneously serving as Series 2020A-R1 Refunding Fiduciary and as Series Trustee pursuant to one or more of the Series Bond Resolutions.

SECTION 4.02. Appointment of Series Trustees.

(A) U.S. Bank National Association, Edison, New Jersey, is hereby appointed 2002A Trustee for the 2002A Allocable Portion. The 2002A Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2002A Bond Resolution by executing and delivering a written acceptance thereof to the I-Bank. The replacement of the 2002A Trustee and all other provisions relating thereto shall be subject to the relevant provisions set forth in Article X or otherwise of the Original 2002A Bond Resolution, as amended and supplemented.

(B) U.S. Bank National Association, Edison, New Jersey, is hereby appointed 2003A Trustee for the 2003A Allocable Portion. The 2003A Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2003A Bond Resolution by executing and delivering a written acceptance thereof to the I-Bank. The replacement of the 2003A Trustee and all other provisions relating thereto shall be subject to the relevant provisions set forth in Article X or otherwise of the Original 2003A Bond Resolution, as amended and supplemented.

(C) U.S. Bank National Association, Edison, New Jersey, is hereby appointed 2004A Trustee for the 2004A Allocable Portion. The 2004A Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2004A Bond Resolution by
executing and delivering a written acceptance thereof to the I-Bank. The replacement of the 2004A Trustee and all other provisions relating thereto shall be subject to the relevant provisions set forth in Article X or otherwise of the Original 2004A Bond Resolution, as amended and supplemented.

(D) U.S. Bank National Association, Edison, New Jersey, is hereby appointed 2006A Trustee for the 2006A Allocable Portion. The 2006A Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2006A Bond Resolution by executing and delivering a written acceptance thereof to the I-Bank. The replacement of the 2006A Trustee and all other provisions relating thereto shall be subject to the relevant provisions set forth in Article X or otherwise of the Original 2006A Bond Resolution, as amended and supplemented.

SECTION 4.03. Appointment of Series Paying Agents.

(A) U.S. Bank National Association, Edison, New Jersey, is hereby appointed 2002A Paying Agent for the 2002A Allocable Portion. The 2002A Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2002A Bond Resolution by executing and delivering a written acceptance thereof to the I-Bank and to the 2002A Trustee. The 2002A Trustee may be appointed and may serve as 2002A Paying Agent for the 2002A Allocable Portion.

(B) U.S. Bank National Association, Edison, New Jersey, is hereby appointed 2003A Paying Agent for the 2003A Allocable Portion. The 2003A Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2003A Bond Resolution by executing and delivering a written acceptance thereof to the I-Bank and to the 2003A Trustee. The 2003A Trustee may be appointed and may serve as 2003A Paying Agent for the 2003A Allocable Portion.

(C) U.S. Bank National Association, Edison, New Jersey, is hereby appointed 2004A Paying Agent for the 2004A Allocable Portion. The 2004A Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2004A Bond Resolution by executing and delivering a written acceptance thereof to the I-Bank and to the 2004A Trustee. The 2004A Trustee may be appointed and may serve as 2004A Paying Agent for the 2004A Allocable Portion.

(D) U.S. Bank National Association, Edison, New Jersey, is hereby appointed 2006A Paying Agent for the 2006A Allocable Portion. The 2006A Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2006A Bond Resolution by executing and delivering a written acceptance thereof to the I-Bank and to the 2006A Trustee. The 2006A Trustee may be appointed and may serve as 2006A Paying Agent for the 2006A Allocable Portion.

Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Defeased Series 2010A Bond Escrow Deposit Agreement by executing and delivering same.

SECTION 4.05. Successors. Notwithstanding any provision to the contrary in any of the following documents, the I-Bank hereby acknowledges that:

(A) for all purposes of the Series 2002A Bond Resolution, the Series 2002A Loan Servicing Agreement and all other related documents, (A) U.S. Bank National Association, Edison, New Jersey is the successor to the original 2002 Trustee and the original 2002 Paying Agent pursuant to the Original 2002A Bond Resolution, and (B) TD Bank, National Association, Cherry Hill, New Jersey is the successor to the original 2002 Loan Servicer pursuant to the Series 2002A Loan Servicing Agreement;

(B) for all purposes of the Series 2003A Bond Resolution, the Series 2003A Loan Servicing Agreement and all other related documents, (A) U.S. Bank National Association, Edison, New Jersey is the successor to the original 2003 Trustee and the original 2003 Paying Agent pursuant to the Original 2003A Bond Resolution, and (B) TD Bank, National Association, Cherry Hill, New Jersey is the successor to the original 2003 Loan Servicer pursuant to the Series 2003A Loan Servicing Agreement; and

(C) for all purposes of the Series 2004A Bond Resolution, the Series 2004A Loan Servicing Agreement and all other related documents, U.S. Bank National Association, Edison, New Jersey is the successor to the original 2004 Trustee and the original 2004 Paying Agent pursuant to the Original 2004A Bond Resolution.
ARTICLE V

DEFEASED BOND ESCROW DEPOSIT AGREEMENTS,
SERIES 2020A-R1 CONTINUING DISCLOSURE AGREEMENTS,
OFFICIAL STATEMENT AND SALE OF THE SERIES 2020A-R1 REFUNDING
BONDS

SECTION 5.01. Defeased Bond Escrow Deposit Agreement and Series 2020A-R1 Continuing Disclosure Agreements.

(A) The I-Bank hereby severally authorizes any Authorized Officer to execute, deliver and perform the duties and obligations of the I-Bank pursuant to the terms of the Defeased Series 2010A Bond Escrow Deposit Agreement and the Series 2020A-R1 Continuing Disclosure Agreements, each in the form attached hereto as Exhibit A, with such changes thereto as shall be within the constraints set forth herein and as shall be determined exclusively by the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State, which determination shall be conclusively evidenced by the Authorized Officer’s execution and delivery thereof. Such Authorized Officer and any other Authorized Officer shall also take all other actions and execute any other documents, agreements, certificates or other instruments deemed necessary, convenient or desirable by such Authorized Officer or any such other Authorized Officer to consummate the transactions contemplated hereby and by such Defeased Series 2010A Bond Escrow Deposit Agreement and Series 2020A-R1 Continuing Disclosure Agreements; provided, however, that: (i) the Defeased Series 2010A Bond Escrow Deposit Agreement shall in any event conform with all of the requirements for the defeasance of the Series 2010A Refunding Bonds to be Refunded as set forth in the Original Bond Resolutions, as amended and supplemented by the Series 2010A Refunding Supplemental Bond Resolution and this Series 2020A-R1 Refunding Supplemental Bond Resolution, particularly Article XII of the Original Bond Resolutions, as amended and supplemented; and (ii) such Defeased Series 2010A Bond Escrow Deposit Agreement and Series 2020A-R1 Continuing Disclosure Agreements shall otherwise conform in all material respects to the provisions of this Article V.

(B) The delegation to the Authorized Officers set forth in subsection (A), above, of this Section 5.01, authorizing such Authorized Officer to take all actions deemed necessary, convenient or desirable by such Authorized Officer to consummate the transactions contemplated hereby and by the Defeased Series 2010A Bond Escrow Deposit Agreement shall include, without limitation, authorization to purchase Investment Securities (including, without limitation, United States Treasury Obligations – State and Local Government Series issued or held in book-entry form on the books of the Department of the Treasury of the United States), such purchase to be undertaken either directly or through the subscription services of professional advisors to the I-Bank, including, without limitation, the financial advisor to the I-Bank, in connection with the investment of the Defeased Series 2010A Bond Escrow Fund established in accordance with the terms of the Defeased Series 2010A Bond Escrow Deposit Agreement, and such Authorized Officer shall undertake whatever method of acquisition of such Investment Securities is deemed (i) in compliance with the provisions of the Original Bond Resolutions, as amended and supplemented, and (ii) applicable law, provided that such
Authorized Officer has consulted with Bond Counsel and other applicable professional advisors to the I-Bank.

SECTION 5.02. Appointment of Verification Agent. The Authorized Officers are hereby severally authorized and directed, in consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank, secure the appointment of an independent nationally recognized certified public accountant, which shall, in accordance with the requirements of Section 2.04(2)(e) of each of the Original Bond Resolutions, as amended and supplemented, prepare and deliver to the I-Bank and the Trustee for the Series 2010A Refunding Bonds one or more verification reports with respect to the matters set forth in Sections 2.04(2)(c), 2.04(2)(d) and, if applicable, 2.04(2)(f) of each of the Original Bond Resolutions, as amended and supplemented.

SECTION 5.03. Preliminary Official Statement.

(A) The Authorized Officers are hereby severally authorized and directed, subsequent to (i) the satisfaction in full of the I-Bank Conditions Precedent and (ii) the satisfaction in full of all other legal conditions precedent to the delivery of the preliminary official statement relating to the Series 2020A-R1 Refunding Bonds (the “Preliminary Official Statement) by the I-Bank, as such satisfaction shall be determined by the Authorized Officer in consultation with Bond Counsel and the Office of the Attorney General of the State, to “deem final” the Preliminary Official Statement in accordance with the provisions of Rule 15c2-12 and deliver the Preliminary Official Statement in the form and with such provisions as the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank, deems in his or her sole discretion to be necessary or desirable for the delivery thereof, which delivery thereof by the Authorized Officer shall conclusively evidence his or her consent to the provisions thereof.

(B) The Authorized Officers are hereby severally authorized and directed to execute any certificate or document, including, without limitation, the Series 2020A-R1 Continuing Disclosure Agreements, and to take such other actions as may be necessary, relating to any statutes, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, that the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State, deems necessary or desirable to effect the issuance, marketing and sale of the Series 2020A-R1 Refunding Bonds, and the transactions contemplated by the Preliminary Official Statement, including, without limitation, Rule 15c2-12.

SECTION 5.04. Official Statement. The Authorized Officers are hereby severally authorized and directed to execute and deliver a final official statement (the “Official Statement”) in substantially similar form to the Preliminary Official Statement, with such changes to reflect the final pricing as set forth in any documents relating to the sale of the Series 2020A-R1 Refunding Bonds and to reflect any other changes required under any applicable securities laws, rules or regulations as set forth in Section 5.03 hereof as the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank, deems in his or her sole discretion to be necessary or desirable to effect the issuance of the Series 2020A-R1 Refunding Bonds and the
transactions contemplated by the Official Statement, which delivery thereof by the Authorized Officer shall conclusively evidence his or her consent to the provisions thereof.

SECTION 5.05. Sale of the Series 2020A-R1 Refunding Bonds.

(A) The Authorized Officers are hereby severally authorized and directed to cause to be published and disseminated in connection with the marketing and sale of the Series 2020A-R1 Refunding Bonds a notice of sale with respect to the Series 2020A-R1 Refunding Bonds (the “Notice of Sale”), which Notice of Sale shall set forth, inter alia, the following terms and provisions, which terms and provisions shall be determined by the Authorized Officer after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank: (i) a summary of the terms of the Series 2020A-R1 Refunding Bonds; (ii) the criteria pursuant to which the award of the Series 2020A-R1 Refunding Bonds shall be made by the I-Bank; (iii) the date and time at which proposals for the purchase of the Series 2020A-R1 Refunding Bonds shall be accepted by the I-Bank; and (iv) the method by which the bidders for the purchase of the Series 2020A-R1 Refunding Bonds shall submit their proposals, which proposals shall be submitted to the I-Bank, in compliance with the Notice of Sale, via a written proposal for Series 2020A-R1 Refunding Bonds (the “Proposal for Bonds”).

(B) The Authorized Officers are hereby severally authorized and directed to cause (i) the Notice of Sale and the Proposal for Bonds to be disseminated simultaneously with the dissemination of the Preliminary Official Statement and (ii) a summary of the Notice of Sale to be published in compliance with Section 6(d) of the Act at least once in at least three newspapers published in the State and at least once in a publication carrying municipal bond notices and devoted primarily to financial news published in the State or in the City of New York, the first summary Notice of Sale to be published at least five (5) days prior to the date established by the Notice of Sale for the sale of the Series 2020A-R1 Refunding Bonds.

(C) On the date and time established therefore in the Notice of Sale, the Proposals for Bonds shall be received and accepted by the Authorized Officer. Upon receipt and acceptance of the Proposals for Bonds, the Authorized Officers are hereby severally authorized and directed to open such Proposals for Bonds and, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank, accept the successful Proposal for Bonds, such successful Proposal for Bonds to be determined based upon compliance with the terms of the Notice of Sale relating to the award of the Series 2020A-R1 Refunding Bonds and after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank.

(D) The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the marketing and sale of the Series 2020A-R1 Refunding Bonds, including, without limitation, such other actions as may be necessary in connection with the conduct of informational investment meetings; provided, however, that in each such instance the Authorized Officers shall comply with the provisions of this Section 5.05 and shall consult
with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank with respect thereto.

SECTION 5.06. Attestation. The Secretary and Assistant Secretary of the I-Bank are hereby severally authorized and directed, where deemed necessary, desirable or convenient to effect the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded in the sole discretion of an Authorized Officer after consultation with Bond Counsel and the Office of the Attorney General of the State, to attest to the execution by any such Authorized Officer of any such documents, instruments or certificates executed by any such Authorized Officer pursuant to this Article V, and to affix the corporate seal of the I-Bank upon any such document, instrument or certificate; provided, however, that the Secretary may not attest to the execution by the Authorized Officer of, or affix the corporate seal of the I-Bank to, any such documents, instruments or certificates in those instances in which such Authorized Officer is the Secretary.

SECTION 5.07. Electronic Dissemination of the Preliminary Official Statement; Electronic Acceptance of Proposals for Bonds.

(A) Notwithstanding any provision of this Series 2020A-R1 Refunding Supplemental Bond Resolution to the contrary, the Authorized Officers are hereby severally authorized at their discretion to disseminate the Preliminary Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Preliminary Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of Section 5.03 hereof.

(B) In complying with the provisions of Section 5.05 hereof, the Authorized Officers are hereby severally authorized at their discretion to accept Proposals for Bonds and complete the award of the Series 2020A-R1 Refunding Bonds, pursuant to the terms and provisions of the Notice of Sale, by means of electronic media; provided that, with respect to the selection of the particular electronic media and the implementation of the procedures for the exercise thereof, the Authorized Officer shall consult with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank with respect thereto.

(C) Notwithstanding any provision of this Series 2020A-R1 Refunding Supplemental Bond Resolution to the contrary, the Authorized Officers are hereby severally authorized at their discretion to disseminate the Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of Section 5.04 hereof.
ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Certificate of an Authorized Officer Amending and Supplementing this Series 2020A-R1 Refunding Supplemental Bond Resolution. Notwithstanding any other provision herein to the contrary, the Series 2020A-R1 Refunding Bonds shall not be issued until the Series 2020A-R1 Refunding Fiduciary and each Series Trustee receive one or more Certificates of an Authorized Officer setting forth (i) the aggregate principal amount of Series 2020A-R1 Refunding Bonds to be issued and the aggregate principal amount of each Allocable Portion, (ii) as applicable, the interest rates, principal amounts maturing, dated date, term of capitalized interest, redemption premiums, sinking fund installments, sinking fund payment dates, other redemption terms applicable to the Series 2020A-R1 Refunding Bonds and each Allocable Portion, and the amounts and sources of funds to be deposited in the Defeased Series 2010A Bond Escrow Fund, (iii) any changes to any of the Series Bond Resolutions, as amended and supplemented, (1) required by any Rating Agency rating the Series 2020A-R1 Refunding Bonds, (2) required to ensure that interest on the Series 2020A-R1 Refunding Bonds is excludable from the gross income of the Holders of the Series 2020A-R1 Refunding Bonds pursuant to the Code, or (3) reasonably requested by any of the Series Trustees or the Series 2020A-R1 Refunding Fiduciary in order to ensure that the Series Trustees and the Series 2020A-R1 Refunding Fiduciary are able to fulfill their respective duties and responsibilities pursuant to the respective Series Bond Resolutions, as amended and supplemented by the Series 2010A Refunding Supplemental Bond Resolution and this Series 2020A-R1 Refunding Supplemental Bond Resolution, (iv) that the amount of Savings is equal to or greater than three percent (3%) of the principal amount of the Series 2010A Refunding Bonds to be Refunded on a net present value basis, (v) the Savings Credit Schedules and the Withheld Savings, if any, relating to each respective Borrower, (vi) the Disclosure Borrowers, if any, as determined pursuant to the criteria set forth in Section 6.05 hereof, and (vii) subject to the parameters set forth in the definition of Series 2020A-R1 Refunding Bonds herein and upon the advice of Bond Counsel and the Office of the Attorney General of the State and I-Bank’s professional advisors, the addition to, deletion from or modification of any financial term or any term remaining in blanks or brackets in this Series 2020A-R1 Refunding Supplemental Bond Resolution, as originally adopted on March 20, 2020, deemed necessary, desirable or convenient by any such Authorized Officer to sell the Series 2020A-R1 Refunding Bonds at the lowest cost and with the greatest Savings to effect the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded, the contents of which Certificate may be incorporated in this Series 2020A-R1 Refunding Supplemental Bond Resolution without compliance with any other provision of any of the Original Bond Resolutions, including, without limitation, Article XI of each of the Original Bond Resolutions, as amended and supplemented. The Authorized Officer executing any such Certificate shall report the substance of such Certificate to the members of the I-Bank at their next public meeting.

SECTION 6.02. Series 2020A-R1 Refunding Supplemental Bond Resolution to Govern. To the extent that the provisions of this Series 2020A-R1 Refunding Supplemental Bond Resolution are inconsistent with the provisions of any of the Original Bond Resolutions, as
amended and supplemented by the Series 2010A Refunding Supplemental Bond Resolution, the provisions of this Series 2020A-R1 Refunding Supplemental Bond Resolution shall control.

SECTION 6.03. Incidental Action. The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order (i) to effectuate the sale and issuance of the Series 2020A-R1 Refunding Bonds, (ii) to effect the 2020 Refunding of the Series 2010A Refunding Bonds to be Refunded, and (iii) to maintain the exclusion from gross income under Section 103 of the Code of the interest on the Series 2020A-R1 Refunding Bonds and the 2010A Refunding Bonds to be Refunded (including the preparation and filing of any information reports or other documents with respect to the Series 2020A-R1 Refunding Bonds or any of the 2010A Refunding Bonds to be Refunded as may at any time be required under Section 149 of the Code).

SECTION 6.04. Series 2020A-R1 Refunding Supplemental Bond Resolution Amendments. This Series 2020A-R1 Refunding Supplemental Bond Resolution may be amended and supplemented prior to the issuance of the Series 2020A-R1 Refunding Bonds by a Certificate of an Authorized Officer contemplated by Section 6.01 hereof without any further compliance with the provisions for adoption of a supplemental resolution under any of the Original Bond Resolutions, as amended and supplemented, including, without limitation, Article XI thereof. All other amendments and supplements hereto shall be effected in accordance with the terms of each of the Original Bond Resolutions, as amended and supplemented, relating to the amendment or supplement to a Supplemental Resolution.

SECTION 6.05. Continuing Disclosure. Prior to the issuance of the Series 2020A-R1 Refunding Bonds, the I-Bank, pursuant to the sole discretion of an Authorized Officer of the I-Bank, in consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank, shall determine if any Borrower is a material "obligated person" within the meaning and for the purposes of Rule 15c2-12, based upon the following criteria hereby established as the means of satisfying the meaning and purposes of Rule 15c2-12: Borrowers shall be considered to be material "obligated persons" if their remaining Fund Loan repayments in all Coverage Providing Financing Programs (unless defined in this Section 6.05, capitalized terms not defined in this Series 2020A-R1 Refunding Supplemental Bond Resolution and used in this Section 6.05 shall have the respective meanings ascribed to such terms in the Master Program I-Bank Agreement), when aggregated with such Borrower’s remaining I-Bank Loan repayments, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs (unless defined in this Section 6.05, capitalized terms not defined in this Series 2020A-R1 Refunding Supplemental Bond Resolution and used in this Section 6.05 shall have the respective meanings ascribed to such terms in the Master Program I-Bank Agreement), when aggregated with such Borrower’s remaining I-Bank Loan repayments, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs and (ii) the aggregate of all remaining I-Bank Loan repayments from all Borrowers.

To the extent any Borrowers that have been determined to be material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 have entered into Service Agreements with Underlying Government Units and if any such Underlying Government Units have entered into Service Agreements with Indirect Underlying Government Units (as such terms are defined in the I-Bank Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materially secure the remaining Fund Loan repayments and the I-Bank Loan repayments of any such Borrowers to such extent that such annual and indirect
annual charges would in and of themselves exceed the ten percent (10%) test described above, any such Underlying Government Unit and Indirect Underlying Government Unit shall also be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12.

Any Borrower determined to be a material “obligated person” based upon the criteria set forth herein shall be required to enter into a Series 2020A-R1 Borrower Continuing Disclosure Agreement with respect to the obligation of such Borrower and any Underlying Government Unit or Indirect Underlying Government Unit, if applicable, with a term as specified therein, by and among such Borrower, the I-Bank and the Trustee, substantially in the form attached hereto as Exhibit A, with such changes therein as shall be approved by the I-Bank as evidenced by the execution thereof by an Authorized Officer of the I-Bank.

The I-Bank hereby determines that it is not an "obligated person". The I-Bank hereby determines that each of the Programs is an “obligated person”. Accordingly, the I-Bank hereby covenants to provide notice of Bond Disclosure Events (as defined in the Series 2020A-R1 I-Bank Continuing Disclosure Agreement), if material, with respect to the Series 2020A-R1 Refunding Bonds to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC or the Municipal Securities Rulemaking Board and the State Information Depository, if any, recognized by the SEC.

Notwithstanding any provision to the contrary in Article XI of any of the Original Bond Resolutions, as amended and supplemented, the I-Bank may amend or supplement this Section 6.05 to comply with any amendment, supplement, modification, termination, interpretation or other change to Rule 15c2-12.

SECTION 6.06. Effective Date. This Series 2020A-R1 Refunding Supplemental Bond Resolution shall take effect in accordance with paragraphs i and j of Section 4 of Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented, which provisions include, without limitation, the requirement that the Governor and Treasurer of the State approve this Series 2020A-R1 Refunding Supplemental Bond Resolution.
EXHIBIT A

DEFEASED BOND ESCROW DEPOSIT AGREEMENT
AND SERIES 2020A-R1 CONTINUING DISCLOSURE AGREEMENTS

See Closing Items Nos. _____ and ____ to
Index of Closing Documents
EXHIBIT B

FORM OF SERIES 2020A-R1 REFUNDING BONDS
SUPPLEMENTAL BOND RESOLUTION

AUTHORIZING THE ISSUANCE OF

ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS, SERIES 2020C-R1
(2012A FINANCING PROGRAM) (FEDERALLY TAXABLE)

OF THE NEW JERSEY INFRASTRUCTURE BANK

Adopted March 20, 2020, as amended and supplemented by a Certificate of an Authorized Officer of the I-Bank in accordance with Section 6.01 hereof
SUPPLEMENTAL BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF
ENVIRONMENTAL INFRASTRUCTURE REFINANCING BONDS, SERIES 2020C-R1
(2012A FINANCING PROGRAM) (FEDERALLY TAXABLE)
of the New Jersey Infrastructure Bank

WHEREAS, on May 3, 2012, the New Jersey Infrastructure Bank (f/k/a the New Jersey Environmental Infrastructure Trust), a public body corporate and politic with corporate succession (the “I-Bank”), duly created and validly existing under the laws of the State of New Jersey (the “State”), including, without limitation, the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 et seq.), as the same has been and in the future may be further amended and supplemented from time to time (the “Act”), issued its “Environmental Infrastructure Bonds, Series 2012A”, dated May 3, 2012, in the original aggregate principal amount of $67,765,000 (the “Series 2012A Bonds”), in accordance with the provisions of (i) the “Environmental Infrastructure Bond Resolution, Series 2012A” of the I-Bank, duly adopted by the I-Bank on March 15, 2012 (the “Original Series 2012A Bond Resolution”), (ii) the Act and (iii) all other applicable law;

WHEREAS, the primary share of the proceeds of the Series 2012A Bonds was applied by the I-Bank to the making of loans (the “Series 2012A I-Bank Loans”) to each of the Borrowers (as hereinafter defined) in order to finance or refinance approximately 25% of the then-eligible costs of the acquisition, construction, renovation and installation of their respective environmental infrastructure projects (the “Projects”), all in accordance with the New Jersey Environmental Infrastructure Financing Program, Series 2012A, created by the State to implement the Federally financed State Revolving Loan Program in the State (the “Program”);

WHEREAS, the State, acting by and through the New Jersey Department of Environmental Protection (the “DEP”), simultaneously made a companion loan (the “Series 2012A Fund Loans”) to each of the Borrowers for approximately 75% of the then-eligible costs of each such Project;

WHEREAS, the repayment obligation with respect to each Series 2012A I-Bank Loan was evidenced and secured by, as the case may be, a general obligation bond issued by the respective municipal Borrowers or a revenue bond issued by the respective authority Borrowers (collectively, the “Series 2012A Borrower I-Bank Loan Bonds”), each in accordance with all applicable law;

WHEREAS, the repayment obligation with respect to each Series 2012A Fund Loan was evidenced and secured by, as the case may be, a general obligation bond issued by the respective municipal Borrowers or a revenue bond issued by the respective authority Borrowers (collectively, the “Series 2012A Borrower Fund Loan Bonds”; the Series 2012A Borrower I-Bank Loan Bonds and the Series 2012A Borrower Fund Loan Bonds shall be referred to collectively herein as the “Series 2012A Borrower Bonds”), each in accordance with all applicable law;
WHEREAS, the Series 2012A Bonds are principally secured by the Series 2012A I-Bank Loan repayment obligations of the Borrowers, as evidenced and secured by the Series 2012A Borrower I-Bank Loan Bonds;

WHEREAS, payment of the principal of and interest on the Series 2012A Bonds is also secured pursuant to the terms of that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the I-Bank, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ) (predecessor to The Bank of New York Mellon), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder, as amended and supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2002, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the I-Bank, as further amended and supplemented by that certain First General Amendment to Master Program Trust Agreement, dated September 1, 2006, by and among the I-Bank, the State, U.S. Bank Trust National Association, as Master Program Trustee thereunder, Wachovia Bank, National Association (predecessor to U.S. Bank National Association), as Trustee and Loan Servicer, The Bank of New York (predecessor to The Bank of New York Mellon), as Trustee and Loan Servicer, and Commerce Bank, National Association (predecessor to TD Bank, National Association), as Loan Servicer, as the same may be amended and supplemented from time to time in accordance with its terms (as amended and supplemented, the “Master Program Trust Agreement”);

WHEREAS, the I-Bank has determined that net present value savings (the “Gross Savings”) can be achieved upon the defeasance and advance refunding of a portion of the Series 2012A Bonds that currently are outstanding, through the implementation of the hereinafter defined 2020 Refunding of the Series 2012A Bonds to be Refunded (net of all costs incurred in connection therewith, the “Savings”);

WHEREAS, Section 2.04(1) of the Original Series 2012A Bond Resolution and the terms of this Series 2020C-R1 Refunding Supplemental Bond Resolution (as hereinafter defined) authorize the issuance of the hereinafter defined Series 2020C-R1 Refunding Bonds as “Refunding Bonds” to achieve the 2020 Refunding of the Series 2012A Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original Series 2012A Bond Resolution;

WHEREAS, payment of the principal of and interest on the Series 2020C-R1 Refunding Bonds when due will be secured pursuant to the terms of the Master Program Trust Agreement;

WHEREAS, the I-Bank shall issue its “Environmental Infrastructure Refunding Bonds, Series 2020C-R1 (2012A Financing Program) (Federally Taxable)”, to be dated the date of issuance thereof, with an exact aggregate principal amount and an exact dated date thereof to be determined by an Authorized Officer of the I-Bank upon the issuance thereof in accordance with
the terms of this Series 2020C-R1 Refunding Supplemental Bond Resolution (the “Series 2020C-R1 Refunding Bonds”), all pursuant to the terms of (i) the Original Series 2012A Bond Resolution, as amended and supplemented by this “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2020C-R1 (2012A Financing Program) (Federally Taxable) of the New Jersey Infrastructure Bank”, adopted by the I-Bank on March 20, 2020, as amended and supplemented by a certificate of an Authorized Officer of the I-Bank, dated the date of issuance of the Series 2020C-R1 Refunding Bonds (as amended and supplemented, the “Series 2020C-R1 Refunding Supplemental Bond Resolution”; the Original Series 2012A Bond Resolution, as amended and supplemented by this Series 2020C-R1 Refunding Supplemental Bond Resolution and as the same may be further amended and supplemented from time to time in accordance with its terms, the “Series 2012A Bond Resolution”), (ii) the Act, and (iii) all other applicable law; provided, however, that, in the event that an Authorized Officer determines, after consultation with Bond Counsel and the Office of the Attorney General of the State, that it is in the best interests of the I-Bank to designate the Series 2020C-R1 Refunding Bonds as “Green Bonds”, such Series 2020C-R1 Refunding Bonds shall be designated by the title, “Environmental Infrastructure Refunding Bonds, Series 2020C-R1 (2012A Financing Program) (Federally Taxable) (Green Bonds)”; 

WHEREAS, upon issuance of the Series 2020C-R1 Refunding Bonds, the I-Bank shall establish an escrow fund (the “Defeased Series 2012A Bond Escrow Fund”) in accordance with the terms of that certain “Escrow Deposit Agreement, Series 2020C-R1 (2012A Financing Program)”, to be dated the date of issuance of the Series 2020C-R1 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “Defeased Series 2012A Bond Escrow Deposit Agreement”), by and between the I-Bank and U.S. Bank National Association, Edison, New Jersey (the original Trustee pursuant to the Original Series 2012A Bond Resolution), as Defeased Series 2012A Bond Escrow Agent (or any successor thereto, the “Defeased Series 2012A Bond Escrow Agent”) thereunder; 

WHEREAS, upon issuance of the Series 2020C-R1 Refunding Bonds, the I-Bank will cause a portion of the proceeds thereof to be deposited in the Defeased Series 2012A Bond Escrow Fund in an amount that, together with interest earned thereon as well as certain other available funds as more fully described herein, will be sufficient to pay (i) all of the interest due and payable on September 1, 2020 through and including September 1, 2021 (the “Redemption Date”) on all of the outstanding Series 2012A Bonds otherwise maturing on September 1, 2022 through and including September 1, 2031 (collectively, the “Series 2012A Bonds to be Refunded”), (ii) all of the principal of the Series 2012A Bonds to be Refunded on the Redemption Date, and (iii) the redemption premium, if any, applicable to redeeming all of the Series 2012A Bonds to be Refunded on the Redemption Date (collectively, the “2020 Refunding of the Series 2012A Bonds to be Refunded”); 

WHEREAS, upon issuance of the Series 2020C-R1 Refunding Bonds, the I-Bank will finance the 2020 Refunding of the Series 2012A Bonds to be Refunded with an initial deposit into the Defeased Series 2012A Bond Escrow Fund from the following two sources: (i) from a portion of the proceeds of the Series 2020C-R1 Refunding Bonds (representing the majority share of the deposit into the Defeased Series 2012A Bond Escrow Fund), and (ii) from the immediate transfer of certain moneys remaining on deposit in certain Funds and Accounts
established and existing under the Original Series 2012A Bond Resolution and held by U.S. Bank National Association, Edison, New Jersey, as Trustee (or any successor thereto, the “Trustee”) thereunder, all as set forth in (A) this Series 2020C-R1 Refunding Supplemental Bond Resolution, (B) a Certificate of an Authorized Officer of the I-Bank, and (C) the Defeased Series 2012A Bond Escrow Deposit Agreement;

WHEREAS, the I-Bank, in accordance with the Act and the Series 2012A Bond Resolution, will (i) issue the Series 2020C-R1 Refunding Bonds for the purpose of applying the primary share of the proceeds thereof toward the 2020 Refunding of the Series 2012A Bonds to be Refunded, (ii) apply the balance of the proceeds thereof to the payment of certain costs incurred in connection therewith, and (iii) pass on to each of the Borrowers their pro rata portion of the Savings achieved from the 2020 Refunding of the Series 2012A Bonds to be Refunded, such pro rata portion of the Savings to be applied as an additional credit to the existing Series 2012A I-Bank Loan repayment obligations of such Borrowers; provided, however, that an Authorized Officer of the I-Bank may withhold from the Borrowers a portion of the Savings, to the extent that it is reasonably required to reimburse the I-Bank for direct out of pocket costs of issuing the Series 2020C-R1 Refunding Bonds that have been paid by the I-Bank and not otherwise financed from the proceeds of the Series 2020C-R1 Refunding Bonds, the amount of which portion, if any, being set forth on the Savings Credit Schedule (as hereinafter defined) under the heading “Withheld Savings” (the “Withheld Savings”);

WHEREAS, in order to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the “Securities Exchange Act”), including any successor regulation or statute thereto (“Rule 15c2-12”), the I-Bank (i) has determined that the Program is and (ii) will determine whether certain Borrowers (the “Disclosure Borrowers”) and, if applicable, whether certain related local government units, are material “obligated persons” in connection with the issuance of the Series 2020C-R1 Refunding Bonds, as the term “obligated person” is defined in Rule 15c2-12, based upon criteria set forth in this Series 2020C-R1 Refunding Supplemental Bond Resolution;

WHEREAS, prior to or simultaneously with the issuance of the Series 2020C-R1 Refunding Bonds, each such Disclosure Borrower, if any, shall enter into a separate “Series 2020C-R1 Continuing Disclosure Agreement (2012A Financing Program)”, to be dated the date of issuance of the Series 2020C-R1 Refunding Bonds, with the Trustee and the I-Bank (as the same may be further amended and supplemented from time to time in accordance with their respective terms, the “Series 2020C-R1 Borrower Continuing Disclosure Agreements”), for the purpose of satisfying Rule 15c2-12, as Rule 15c2-12 may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction; and

WHEREAS, prior to or simultaneously with the issuance of the Series 2020C-R1 Refunding Bonds, the I-Bank shall enter into a “Series 2020C-R1 I-Bank Continuing Disclosure Agreement (2012A Financing Program)”, to be dated the date of issuance of the Series 2020C-R1 Refunding Bonds, with the Trustee (as the same may be further amended and supplemented from time to time in accordance with the terms thereof, the “Series 2020C-R1 I-Bank Continuing Disclosure Agreement”; the Series 2020C-R1 Borrower Continuing Disclosure Agreements and
the Series 2020C-R1 I-Bank Continuing Disclosure Agreement shall be referred to collectively herein as the “Series 2020C-R1 Continuing Disclosure Agreements”), for the purpose of satisfying Rule 15c2-12, as Rule 15c2-12 may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the I-Bank as follows:
ARTICLE I
DEFINITIONS AND AUTHORITY FOR
SERIES 2020C-R1 REFUNDING SUPPLEMENTAL BOND RESOLUTION

SECTION 1.01. Definitions.

(A) As used in this Series 2020C-R1 Refunding Supplemental Bond Resolution, unless the context requires otherwise, all capitalized terms not defined herein shall have the meanings ascribed to such terms in Section 1.01 of the Original Series 2012A Bond Resolution, as amended and supplemented.

(B) The following capitalized terms set forth in this Series 2020C-R1 Refunding Supplemental Bond Resolution shall have the respective meanings ascribed to such terms in the recitals to this Series 2020C-R1 Refunding Supplemental Bond Resolution:

Act
Defeased Series 2012A Bond Escrow Agent
Defeased Series 2012A Bond Escrow Deposit Agreement
Defeased Series 2012A Bond Escrow Fund
DEP
Gross Savings
I-Bank
Original Series 2012A Bond Resolution
Projects
Program
Redemption Date
Rule 15c2-12
Savings
SEC
Securities Exchange Act
Series 2012A Bond Resolution
Series 2012A Bonds
Series 2012A Bonds to be Refunded
Series 2012A Borrower Bonds
Series 2012A Borrower Fund Loan Bonds
Series 2012A Borrower I-Bank Loan Bonds
Series 2012A Fund Loans
Series 2012A I-Bank Loans
Series 2020C-R1 Borrower Continuing Disclosure Agreements
Series 2020C-R1 Continuing Disclosure Agreements
Series 2020C-R1 I-Bank Continuing Disclosure Agreement
Series 2020C-R1 Refunding Bonds
Series 2020C-R1 Refunding Supplemental Bond Resolution
State
Trustee
2020 Refunding of the Series 2012A Bonds to be Refunded

Withheld Savings

(C) In addition, as used in this Series 2020C-R1 Refunding Supplemental Bond Resolution, unless the context requires otherwise, the following terms shall have the following meanings:

“Authorized Officer” means, in the case of the I-Bank, the Chairperson, Vice-Chairperson, Secretary or 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 hereunder; the designation of such person or persons shall be evidenced by a written Certificate containing the specimen signature of such person or persons and signed on behalf of the I-Bank by its Chairperson, Vice-Chairperson, Secretary or Executive Director and delivered to the Trustee.

“Borrowers” shall mean individually or collectively, as the case may be, the local governmental units that previously received a Series 2012A I-Bank Loan and, in accordance with this Series 2020C-R1 Refunding Supplemental Bond Resolution, will receive its pro rata share of the Savings, less the Withheld Savings, if any.

“DTC” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Series 2020C-R1 Refunding Bonds.

“DTC Representation Letter” means the agreement entered into by and between the I-Bank and DTC, detailing the rights, duties and obligations of the parties thereto relative to the Series 2020C-R1 Refunding Bonds.

“I-Bank Conditions Precedent” shall mean the written approval of the Governor and Treasurer of the State of this Series 2020C-R1 Refunding Supplemental Bond Resolution in satisfaction of the requirements of Section 4(j) of the Act, and compliance with the applicable requirements of Section 6(g) of the Act relating to the Joint Budget Oversight Committee.

“Savings Credit” shall mean the pro rata portion of the Savings, other than the Withheld Savings, if any, allocated by the I-Bank to each Borrower, as such pro rata portion shall be identified by the I-Bank in the Savings Credit Schedule, relating to each respective Borrower, under the column therein entitled “Savings Credit (Total)”.

“Savings Credit Schedule” shall mean collectively or individually, as the case may be, the schedule, prepared by or at the direction of the I-Bank with respect to each Borrower, demonstrating the Savings Credit and Withheld Savings, if any, such Savings Credit Schedule to be included by the I-Bank as an exhibit to that certain Certificate of an Authorized Officer of the I-Bank pursuant to Section 6.01 hereof.

(D) In addition, the definition of the following term in Section 1.01 of the Original Series 2012A Bond Resolution is hereby amended to the extent provided below:
The definition of “Bond Year” in Section 1.01 of the Original Series 2012A Bond Resolution is hereby amended to include at the end thereof the following:

“, and with respect to the Series 2020C-R1 Refunding Bonds, shall mean a period of 12 consecutive months beginning on September 1 of any calendar year and ending on August 31 of the immediately succeeding calendar year, except that the first Bond Year with respect to the Series 2020C-R1 Refunding Bonds shall be a period commencing on the date of issuance of the Series 2020C-R1 Refunding Bonds hereunder and ending on August 31, 2020.”

SECTION 1.02. Authority for Supplemental Bond Resolution. This Series 2020C-R1 Refunding Supplemental Bond Resolution is adopted pursuant to and in accordance with the provisions of the Act and Section 2.04 and Article XI of the Original Series 2012A Bond Resolution, as amended and supplemented.
ARTICLE II

AUTHORIZATION AND DETAILS OF SERIES 2020C-R1 REFUNDING BONDS

SECTION 2.01. [Reserved].

SECTION 2.02. Issuance of Series 2020C-R1 Refunding Bonds; Parity Nature of Bonds; Savings.

(A) The I-Bank hereby declares the issuance of the Series 2020C-R1 Refunding Bonds to be an authorized undertaking of the I-Bank pursuant to the Act and Section 2.04(1) of the Original Series 2012A Bond Resolution, as amended and supplemented, and hereby authorizes and directs an Authorized Officer to execute and deliver all documents necessary or desirable in connection therewith.

(B) In accordance with the terms of the Series 2012A Bond Resolution, upon the issuance of the Series 2020C-R1 Refunding Bonds pursuant to the terms hereof, the Holders of the Series 2020C-R1 Refunding Bonds will be equally and ratably entitled to the benefit of the pledge of the Trust Estate under the Series 2012A Bond Resolution with (i) the Holders of the Series 2012A Bonds that shall remain Outstanding (the “Outstanding Series 2012A Bonds”) and (ii) the Holders of any other Series of Bonds to be issued pursuant to the Series 2012A Bond Resolution, including, without limitation, the moneys and securities in the Debt Service Fund and the rights to the Loan Repayments. Accordingly, each Series of Bonds that is Outstanding pursuant to the terms of the Series 2012A Bond Resolution shall be of equal rank, without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2012A Bond Resolution.

(C) The I-Bank shall create two Loan Repayment schedules for each of the Series 2012A I-Bank Loans (collectively, the “Loan Repayment Schedules”): (i) the first, reflecting the Loan Repayments that are allocable to the Series 2020C-R1 Refunding Bonds until the maturity thereof; and (ii) the second, reflecting the Loan Repayments that are allocable to the Outstanding Series 2012A Bonds until the maturity thereof. At its election, the I-Bank may present such Loan Repayment Schedules in a consolidated format. In addition, the I-Bank shall prepare a consolidated schedule (the “Savings Credit Schedule”) that reflects the Savings to be realized by each Borrower with respect to its Series 2012A I-Bank Loan through the implementation of the 2020 Refunding of the Series 2012A Bonds to be Refunded. The Loan Repayment Schedules and the Savings Credit Schedule shall be provided by the I-Bank to each Borrower promptly following the issuance by the I-Bank of the Series 2020C-R1 Refunding Bonds. The Loan Repayments to be made by the Borrowers shall be allocated by the Trustee on a pro rata basis to the respective Accounts within the Revenue Fund relating to each Series of Bonds; thereafter, disbursements shall be made by the Trustee to the respective Accounts within the Debt Service Fund for each Series of Bonds for payment of the principal and redemption premium, if any, of and the interest on each such Series of Bonds.
(D) Upon issuance of the Series 2020C-R1 Refunding Bonds, the sum of the aggregate principal amount of the Series 2020C-R1 Refunding Bonds and the aggregate principal amount of the Outstanding Series 2012A Bonds (collectively, the “Outstanding Bonds”) shall be equal to or less than the aggregate principal amount of the Series 2012A Borrower I-Bank Loan Bonds that are outstanding as of such date of issuance of the Series 2020C-R1 Refunding Bonds. Upon the allocation of the Savings to the Borrowers through the Savings Credits and to the I-Bank through the Withheld Savings, if any, the aggregate principal payment obligation of the Borrowers with respect to the aggregate Series 2012A I-Bank Loans (as evidenced and secured by the aggregate principal amount of the Series 2012A Borrower I-Bank Loan Bonds), net of the Savings Credits and the Withheld Savings, if any, to the extent and as applied to the aggregate principal payment obligations of the Borrowers with respect to the aggregate Series 2012A I-Bank Loans, shall equal the aggregate principal amount of the Outstanding Bonds. Notwithstanding any provision to the contrary in the Series 2012A Bond Resolution and in light of the foregoing provisions of this subsection (D), to the extent there is an acceleration of the then Outstanding Bonds, the Trustee might receive Loan Repayments earmarked to pay the principal amount of the accelerated Outstanding Bonds in excess of said Outstanding Bonds. In such case, any such excess amount shall be deposited by the Trustee in the General Fund to be used by the I-Bank free and clear of any lien created under the Series 2012A Bond Resolution for any corporate purpose of the I-Bank.

(E) The Trustee shall take into account as a credit to the Loan Repayments otherwise due from the Borrower on each such Loan Repayment date the Savings, other than the Withheld Savings, if any, specified in such the Savings Credit Schedule.

(F) On the date that is no more than 180 days after the date of issuance of the Series 2020C-R1 Refunding Bonds, any moneys remaining in the Costs of Issuance Account in the Operating Expense Fund shall be paid by the I-Bank to the Trustee for deposit in the Debt Service Fund to be used to pay interest on the Series 2020C-R1 Refunding Bonds on the first available Interest Payment Date.

SECTION 2.03. Authorization and Terms of the Series 2020C-R1 Refunding Bonds.

(A) The I-Bank hereby authorizes the issuance of the Series 2020C-R1 Refunding Bonds in the aggregate principal amount not to exceed an amount such that the aggregate principal amount of the Outstanding Bonds equals the aggregate principal payment obligation of the Borrowers with respect to the aggregate Series 2012A I-Bank Loans (as evidenced and secured by the aggregate principal amount of the Series 2012A Borrower I-Bank Loan Bonds), after taking into account the allocation of the Savings to the Borrowers through the Savings Credits and to the I-Bank through the Withheld Savings, if any, to the extent and as applied to the aggregate principal payment obligation of the Borrowers with respect to the aggregate Series 2012A I-Bank Loans, and in the exact principal amount as set forth in a Certificate of an Authorized Officer of the I-Bank pursuant to Section 6.01 hereof, for the following purposes: (i) the 2020 Refunding of the Series 2012A Bonds to be Refunded and (ii) the payment of certain expenses incurred in connection with the issuance of the Series 2020C-R1 Refunding Bonds. Notwithstanding any provision of this Section 2.03(A) or this Series 2020C-R1 Refunding
Supplemental Bond Resolution to the contrary, the Series 2020C-R1 Refunding Bonds shall not be issued by the I-Bank until satisfaction in full of the I-Bank Conditions Precedent.

(B) The Series 2020C-R1 Refunding Bonds shall bear interest from the date of issuance thereof until final maturity (stated or otherwise) based upon the Outstanding principal amount thereof at the per annum interest rates set forth below payable to the registered owners thereof as of each applicable Record Date and payable initially on September 1, 2020 and semiannually thereafter on March 1 and September 1 in each year until final maturity (stated or otherwise). Interest on the Series 2020C-R1 Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months. The Series 2020C-R1 Refunding Bonds shall mature in the principal amounts and on September 1 in each of the years as set forth below. The principal of and interest on the Series 2020C-R1 Refunding Bonds shall, except as provided in this subsection (B) and in subsection (C) and Section 2.08 below, be payable as otherwise provided in the Original Series 2012A Bond Resolution, as amended and supplemented. Except as provided in subsection (C) and Section 2.08 below, interest shall be paid to the registered owner as of the applicable Record Date by check mailed on any applicable Interest Payment Date.

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<th>Interest Rate</th>
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(C) The Series 2020C-R1 Refunding Bonds shall be dated the date of issuance thereof, shall be numbered with the prefix 2020C-R1- from 1 consecutively upward, and will be issued in fully registered form. When issued, the Series 2020C-R1 Refunding Bonds will be registered in the name of and held by Cede & Co., as the registered owner thereof and nominee for DTC. Upon issuance, the Series 2020C-R1 Refunding Bonds will be delivered to DTC in single denominations for each maturity thereof. Purchases of the Series 2020C-R1 Refunding Bonds will be made in book-entry form (without certificates) in denominations of $5,000 each or any integral multiple thereof. The Series 2020C-R1 Refunding Bonds will be issued in denominations of $5,000 each or any integral multiple thereof.

Notwithstanding any other provision in the Series 2012A Bond Resolution to the contrary, so long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2020C-R1 Refunding Bonds, payments of the principal of and interest on the Series 2020C-R1 Refunding Bonds will be made directly to Cede & Co., as nominee for DTC, in accordance with the provisions of the DTC Representation Letter, and interest shall be paid on each Interest
Payment Date by wire transfer from the Paying Agent to DTC. Disbursal of such payments to the DTC participants is the responsibility of DTC, and disbursal of such payments to the beneficial owners of the Series 2020C-R1 Refunding Bonds is the responsibility of the DTC participants.

(D) The Series 2020C-R1 Refunding Bonds shall constitute a single Series of Bonds, and each such Series 2020C-R1 Refunding Bonds shall be designated “Environmental Infrastructure Refunding Bond, Series 2020C-R1 (2012A Financing Program) (Federally Taxable)”; provided, however, that, in the event that an Authorized Officer determines, after consultation with Bond Counsel and the Office of the Attorney General of the State, that it is in the best interests of the I-Bank to designate the Series 2020C-R1 Refunding Bonds as “Green Bonds”, such Series 2020C-R1 Refunding Bonds shall be designated by the title, “Environmental Infrastructure Refunding Bonds, Series 2020C-R1 (2012A Financing Program) (Federally Taxable) (Green Bonds)”.

SECTION 2.04. Redemption of the Series 2020C-R1 Refunding Bonds.

(A) **Optional Redemption.** The Series 2020C-R1 Refunding Bonds are not subject to optional redemption prior to their stated maturities.

(B) **Mandatory Sinking Fund Redemption.** The Series 2020C-R1 Refunding Bonds are not subject to mandatory sinking fund redemption prior to their stated maturities.

SECTION 2.05. Form of Series 2020C-R1 Refunding Bonds. The Series 2020C-R1 Refunding Bonds shall be in substantially the form set forth in Section 15.01 of the Original Series 2012A Bond Resolution, as amended and supplemented, with such insertions, omissions or variations as may be necessary or appropriate to effectuate the purposes of this Series 2020C-R1 Refunding Supplemental Bond Resolution, including, without limitation, the dated dates, maturity dates, principal or sinking fund amounts, interest rates and redemption provisions set forth herein, and including, without limitation, the 2020 Refunding of the Series 2012A Bonds to be Refunded.

SECTION 2.06. Execution, Authentication and Delivery. The Chairperson, the Vice Chairperson and the Secretary of the I-Bank are each hereby severally authorized and directed to execute the Series 2020C-R1 Refunding Bonds, and the Secretary (except in the event that the Secretary has executed the Series 2020C-R1 Refunding Bonds) and Assistant Secretary of the I-Bank are hereby severally authorized and directed to attest to the execution of the Series 2020C-R1 Refunding Bonds by the Chairperson, the Vice Chairperson or the Secretary of the I-Bank and to affix the corporate seal of the I-Bank upon the Series 2020C-R1 Refunding Bonds, all in accordance with Article III of the Original Series 2012A Bond Resolution, as amended and supplemented. Following execution of the Series 2020C-R1 Refunding Bonds, any Authorized Officer is hereby authorized to deliver the Series 2020C-R1 Refunding Bonds to the Trustee for authentication. The Trustee is hereby authorized and directed to authenticate the Series 2020C-R1 Refunding Bonds in accordance with Article III of the Original Series 2012A Bond Resolution, as amended and supplemented, and thereafter deliver the Series 2020C-R1 Refunding Bonds to the I-Bank or purchaser thereof in accordance with a Certificate of an
Authorized Officer, but such delivery shall not occur unless (i) the I-Bank Conditions Precedent have been satisfied in full and (ii) the provisions of Article II of the Original Series 2012A Bond Resolution, as amended and supplemented, regarding conditions precedent to the issuance of a Series of Bonds and a Series of Refunding Bonds, have been satisfied in full.

SECTION 2.07. Refunding Bonds. After execution of the Series 2020C-R1 Refunding Bonds by the I-Bank as provided in the Series 2012A Bond Resolution and Section 2.06 hereof, and after the authentication and delivery thereof as also provided in the Series 2012A Bond Resolution and Section 2.06 hereof, the Series 2020C-R1 Refunding Bonds shall constitute Refunding Bonds in accordance with Article II of the Original Series 2012A Bond Resolution, as amended and supplemented.

SECTION 2.08. Book-Entry Format. The Series 2020C-R1 Refunding Bonds shall be registered in the name of Cede & Co., and shall be issued in accordance with the terms of the DTC Representation Letter and the provisions of Article II of the Original Series 2012A Bond Resolution, as amended and supplemented.
ARTICLE III

CREATION AND ESTABLISHMENT OF DEFEASED SERIES 2012A BOND ESCROW FUND AND SEPARATE ACCOUNTS WITHIN ALL FUNDS; APPLICATION OF SERIES 2020C-R1 REFUNDING BOND PROCEEDS AND TAX CERTIFICATE

SECTION 3.01. Creation of Deceased Series 2012A Bond Escrow Fund, Separate Accounts within all Funds and Certain Other Accounts and Funds.

(A) The I-Bank hereby creates, and the Trustee shall establish, for the sole benefit of the Holders of the Series 2012A Bonds to be Refunded in accordance with the terms of the Defeased Series 2012A Bond Escrow Deposit Agreement, a special and irrevocable escrow fund designated “Defeased Environmental Infrastructure Bonds, Series 2012A Escrow Fund (2020)”.

(B) Section 5.01 of the Original Series 2012A Bond Resolution is hereby amended and supplemented as follows: The I-Bank hereby directs the Trustee to establish separate subaccounts, as necessary, for the Series 2020C-R1 Refunding Bonds within each Account created under the Series 2012A Bond Resolution that is held by the Trustee. The I-Bank hereby further directs the Trustee to establish separate Accounts, as necessary, for the Series 2020C-R1 Refunding Bonds within each Fund created under the Series 2012A Bond Resolution that is held by the Trustee.

SECTION 3.02. Amendment of Section 5.05 of the Original Series 2012A Bond Resolution. Section 5.05 of the Original Series 2012A Bond Resolution is hereby amended and supplemented to include at the end thereof the following paragraph 6:

“6. On each Interest Payment Date, after giving effect to the transfers set forth in paragraphs (1) through (4) of this Section 5.05, the Trustee shall transfer from amounts in the SRF Account and the non-SRF Account of the Revenue Fund to the Administrative Fee Account an amount equal to the aggregate of the Withheld Savings, if any, with respect to such Interest Payment Date, as set forth on the Savings Credit Schedule, which Withheld Savings, if any, shall be applied by the I-Bank in accordance with the provisions of Section 5.03(4) hereof.”

SECTION 3.03. [Reserved.].

SECTION 3.04. Application of the Proceeds of the Series 2020C-R1 Refunding Bonds and Other Moneys. The proceeds of the Series 2020C-R1 Refunding Bonds of $[__] (par of $[__],000, plus original issue premium of $[__], less underwriters’ discount of $[__]), shall be received by the Trustee, and the Trustee shall deposit or transfer such proceeds, together with (i) such amounts on deposit in the respective Funds and Accounts under the Series 2012A Bond Resolution as shall be set forth in a Certificate of an Authorized Officer of the I-Bank and (ii) such amounts to be paid by the I-Bank with respect to the costs of issuing the Series 2020C-R1 Refunding Bonds pursuant to Section 3.06 hereof (other than those such amounts paid directly by the I-Bank to a direct payee), into the Funds and Accounts as shall be set forth in a Certificate
of an Authorized Officer of the I-Bank, to effect the 2020 Refunding of the Series 2012A Bonds
to be Refunded; provided that the origin of moneys for such funds shall comply in all respects
with the Series 2012A Bond Resolution, as amended and supplemented.

SECTION 3.05. Federally Taxable Status of Series 2020C-R1 Refunding Bonds.
Interest on the Series 2020C-R1 Refunding Bonds is included in the gross income of the owners
thereof for Federal income tax purposes. Therefore, the provisions of the Series 2012A Bond
Resolution relating to the exclusion from gross income for federal income tax purposes of the
interest on the Bonds issued thereunder shall not be applicable to the Series 2020C-R1
Refunding Bonds or any Allocable Portion thereof.

SECTION 3.06. Payment of Costs of Issuing the Series 2020C-R1 Refunding Bonds.
In connection with the issuance of the Series 2020C-R1 Refunding Bonds, the I-Bank hereby
severally authorizes and directs the Authorized Officers to pay to the Trustee or the direct payee,
as appropriate, from amounts available to the I-Bank for such purposes, the sum required to pay
those costs of issuing the Series 2020C-R1 Refunding Bonds that are not paid from the proceeds
of the Series 2020C-R1 Refunding Bonds, if any. The amount to be paid by the I-Bank pursuant
to this Section 3.06, if any, shall be set forth in, and applied pursuant to, a Certificate of an
Authorized Officer of the I-Bank.
ARTICLE IV

APPOINTMENT OF TRUSTEE, PAYING AGENT AND
DEFEASED SERIES 2012A BOND ESCRROW AGENT

SECTION 4.01. Appointment of Trustee. U.S. Bank National Association, Edison, New Jersey, is hereby appointed Trustee for the Holders of the Series 2020C-R1 Refunding Bonds. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2012A Bond Resolution by executing the certificate of authentication endorsed upon the Series 2020C-R1 Refunding Bonds upon the original issuance thereof. All of the provisions set forth in Article X or otherwise of the Original Series 2012A Bond Resolution, as amended and supplemented, relating to the Trustee shall be applicable to the Trustee with respect to the Series 2020C-R1 Refunding Bonds as if fully set forth herein.

SECTION 4.02. Appointment of Paying Agent. U.S. Bank National Association, Edison, New Jersey, is hereby appointed Paying Agent for the Series 2020C-R1 Refunding Bonds. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2012A Bond Resolution by executing and delivering a written acceptance thereof to the I-Bank and to the Trustee. The Trustee may be appointed and may serve as Paying Agent for the Series 2020C-R1 Refunding Bonds. All of the provisions set forth in Article X or otherwise of the Original Series 2012A Bond Resolution, as amended and supplemented, relating to the Paying Agent shall be applicable to the Paying Agent with respect to the Series 2020C-R1 Refunding Bonds as if fully set forth herein.

SECTION 4.03. Appointment of Defeased Series 2012A Bond Escrow Agent. U.S. Bank National Association, Edison, New Jersey, is hereby appointed Defeased Series 2012A Bond Escrow Agent for the Series 2012A Bonds to be Refunded. The Defeased Series 2012A Bond Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Defeased Series 2012A Bond Escrow Deposit Agreement by executing and delivering same.
ARTICLE V

DEFEASED SERIES 2012A BOND ESCROW DEPOSIT AGREEMENT,
SERIES 2020C-R1 CONTINUING DISCLOSURE AGREEMENTS,
OFFICIAL STATEMENT AND SALE OF THE SERIES 2020C-R1 REFUNDING
BONDS

SECTION 5.01. Defeased Series 2012A Bond Escrow Deposit Agreement and Series 2020C-R1 Continuing Disclosure Agreements.

(A) The I-Bank hereby severally authorizes and directs any Authorized Officer to execute, deliver and perform the duties and obligations of the I-Bank pursuant to the terms of the Defeased Series 2012A Bond Escrow Deposit Agreement and the Series 2020C-R1 Continuing Disclosure Agreements, each in the form attached hereto as Exhibit A, with such changes thereto as shall be within the constraints set forth herein and as shall be determined exclusively by the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State, which determination shall be conclusively evidenced by the Authorized Officer’s execution and delivery thereof. SuchAuthorized Officer and any other Authorized Officer shall also take all other actions and execute any other documents, agreements, certificates or other instruments deemed necessary, convenient or desirable by such Authorized Officer or any such other Authorized Officer to consummate the transactions contemplated hereby and by such Defeased Series 2012A Bond Escrow Deposit Agreement and Series 2020C-R1 Continuing Disclosure Agreements; provided, however, that the Defeased Series 2012A Bond Escrow Deposit Agreement shall in any event conform with all of the requirements for the defeasance of the Series 2012A Bonds to be Refunded as set forth in the Series 2012A Bond Resolution and, in particular, Article XII of the Original Series 2012A Bond Resolution, as amended and supplemented, and such Defeased Series 2012A Bond Escrow Deposit Agreement and Series 2020C-R1 Continuing Disclosure Agreements shall otherwise conform in all material respects to the provisions of this Article V.

(B) The delegation to the Authorized Officers set forth in subsection (A), above, of this Section 5.01, authorizing such Authorized Officer to take all actions deemed necessary, convenient or desirable by such Authorized Officer to consummate the transactions contemplated hereby and by the Defeased Series 2012A Bond Escrow Deposit Agreement shall include, without limitation, authorization to purchase Investment Securities (including, without limitation, United States Treasury Obligations – State and Local Government Series issued or held in book-entry form on the books of the Department of the Treasury of the United States), such purchase to be undertaken either directly or through the subscription services of professional advisors to the I-Bank, including, without limitation, the financial advisor to the I-Bank, in connection with the investment of the Defeased Series 2012A Bond Escrow Fund established in accordance with the terms of the Defeased Series 2012A Bond Escrow Deposit Agreement, and such Authorized Officer shall undertake whatever method of acquisition of such Investment Securities is deemed in compliance with (i) the provisions of the Series 2012A Bond Resolution, (ii) applicable law, including, without limitation, the Act, and (iii) the then-current investment policy of the I-Bank, provided that such Authorized Officer has consulted with Bond Counsel.
Counsel and the Office of the Attorney General of the State and other applicable professional advisors to the I-Bank.

SECTION 5.02. Appointment of Verification Agent. The Authorized Officers are hereby severally authorized and directed, in consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank, to secure the appointment of an independent nationally recognized certified public accountant, which shall, in accordance with the requirements of Section 2.04(2)(e) of the Original Series 2012A Bond Resolution, as amended and supplemented, prepare and deliver to the I-Bank and the Trustee a verification report with respect to the matters set forth in Sections 2.04(2)(c), 2.04(2)(d) and, if applicable, 2.04(2)(f) of the Original Series 2012A Bond Resolution, as amended and supplemented.

SECTION 5.03. Preliminary Official Statement.  

(A) The Authorized Officers are hereby severally authorized and directed, subsequent to (i) the satisfaction in full of the I-Bank Conditions Precedent and (ii) the satisfaction in full of all other legal conditions precedent to the delivery of the preliminary official statement relating to the Series 2020C-R1 Refunding Bonds (the “Preliminary Official Statement) by the I-Bank, as such satisfaction shall be determined by the Authorized Officer in consultation with Bond Counsel and the Office of the Attorney General of the State, to “deem final” the Preliminary Official Statement in accordance with the provisions of Rule 15c2-12 and deliver the Preliminary Official Statement in the form and with such provisions as the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank, deems in his or her sole discretion to be necessary or desirable for the delivery thereof, which delivery thereof by the Authorized Officer shall conclusively evidence his or her consent to the provisions thereof.

(B) The Authorized Officers are hereby severally authorized and directed to execute any certificate or document, including, without limitation, the Series 2020C-R1 Continuing Disclosure Agreements, and to take such other actions as may be necessary, relating to any statutes, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, that the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State, deems necessary or desirable to effect the issuance, marketing and sale of the Series 2020C-R1 Refunding Bonds, and the transactions contemplated by the Preliminary Official Statement, including, without limitation, Rule 15c2-12.

SECTION 5.04. Official Statement. The Authorized Officers are hereby severally authorized and directed to execute and deliver a final official statement (the “Official Statement”) in substantially similar form to the Preliminary Official Statement, with such changes to reflect the final pricing as set forth in any documents relating to the sale of the Series 2020C-R1 Refunding Bonds and to reflect any other changes required or permitted under any applicable securities laws, rules or regulations as set forth in Section 5.03 hereof as the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank, deems in his or her sole discretion to be necessary or desirable to effect the issuance of the Series 2020C-R1 Refunding
Bonds and the transactions contemplated by the Official Statement, which delivery thereof by the Authorized Officer shall conclusively evidence his or her consent to the provisions thereof.

**SECTION 5.05. Sale of the Series 2020C-R1 Refunding Bonds.**

(A) The Authorized Officers are hereby severally authorized and directed to cause to be published and disseminated in connection with the marketing and sale of the Series 2020C-R1 Refunding Bonds a notice of sale with respect to the Series 2020C-R1 Refunding Bonds (the “Notice of Sale”), which Notice of Sale shall set forth, *inter alia*, the following terms and provisions, which terms and provisions shall be determined by the Authorized Officer after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank: (i) a summary of the terms of the Series 2020C-R1 Refunding Bonds; (ii) the criteria pursuant to which the award of the Series 2020C-R1 Refunding Bonds shall be made by the I-Bank; (iii) the date and time at which proposals for the purchase of the Series 2020C-R1 Refunding Bonds shall be accepted by the I-Bank; and (iv) the method by which the bidders for the purchase of the Series 2020C-R1 Refunding Bonds shall submit their proposals (the “Proposal for Bonds”).

(B) The Authorized Officers are hereby severally authorized and directed to cause (i) the Notice of Sale to be disseminated simultaneously with the dissemination of the Preliminary Official Statement and (ii) a summary of the Notice of Sale to be published in compliance with Section 6(d) of the Act at least once in at least three newspapers published in the State and at least once in a publication carrying municipal bond notices and devoted primarily to financial news published in the State or in the City of New York, the first summary Notice of Sale to be published at least five (5) days prior to the date established by the Notice of Sale for the sale of the Series 2020C-R1 Refunding Bonds.

(C) On the date and time established therefore in the Notice of Sale, the Proposals for Bonds shall be received and accepted by the Authorized Officer. Upon receipt and acceptance of the Proposals for Bonds, the Authorized Officers are hereby severally authorized and directed to accept the successful Proposal for Bonds, such successful Proposal for Bonds to be determined based upon compliance with the terms of the Notice of Sale relating to the award of the Series 2020C-R1 Refunding Bonds and after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank.

(D) The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the marketing and sale of the Series 2020C-R1 Refunding Bonds, including, without limitation, such other actions as may be necessary in connection with the conduct of informational investment meetings; provided, however, that in each such instance the Authorized Officers shall comply with the provisions of this Section 5.05 and shall consult with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank with respect thereto.

(E) In the event that an Authorized Officer determines, after consultation with Bond Counsel and the Office of the Attorney General of the State, that it is in the best interests of the I-
Bank, and the marketing and sale of the Series 2020C-R1 Refunding Bonds, to designate the Series 2020C-R1 Refunding Bonds as “Green Bonds”, the Series 2020C-R1 Refunding Bonds shall be designated by the title, “Environmental Infrastructure Refunding Bonds, Series 2020C-R1 (2012A Financing Program) (Federally Taxable) (Green Bonds)”.

SECTION 5.06. Attestation. The Secretary and Assistant Secretary of the I-Bank are hereby severally authorized and directed, where deemed necessary, desirable or convenient to effect the 2020 Refunding of the Series 2012A Bonds to be Refunded in the sole discretion of an Authorized Officer after consultation with Bond Counsel and the Office of the Attorney General of the State, to attest to the execution by any such Authorized Officer of any such documents, instruments or certificates executed by any such Authorized Officer pursuant to this Article V, and to affix the corporate seal of the I-Bank upon any such document, instrument or certificate; provided, however, that the Secretary may not attest to the execution by the Authorized Officer of, or affix the corporate seal of the I-Bank to, any such documents, instruments or certificates in those instances in which such Authorized Officer is the Secretary.

SECTION 5.07. Electronic Dissemination of the Preliminary Official Statement; Electronic Acceptance of Proposals for Bonds; Electronic Dissemination of the Official Statement.

(A) Notwithstanding any provision of this Series 2020C-R1 Refunding Supplemental Bond Resolution to the contrary, the Authorized Officers are hereby severally authorized at their discretion to disseminate the Preliminary Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Preliminary Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of Section 5.03 hereof.

(B) In complying with the provisions of Section 5.05 hereof, the Authorized Officers are hereby severally authorized at their discretion to accept Proposals for Bonds and complete the award of the Series 2020C-R1 Refunding Bonds, pursuant to the terms and provisions of the Notice of Sale, by means of electronic media; provided that, with respect to the selection of the particular electronic media and the implementation of the procedures for the exercise thereof, the Authorized Officer shall consult with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank with respect thereto.

(C) Notwithstanding any provision of this Series 2020C-R1 Refunding Supplemental Bond Resolution to the contrary, the Authorized Officers are hereby severally authorized at their discretion to disseminate the Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of Section 5.04 hereof.
ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Certificate of an Authorized Officer Amending and Supplanting this Series 2020C-R1 Refunding Supplemental Bond Resolution. Notwithstanding any other provision herein to the contrary, the Series 2020C-R1 Refunding Bonds shall not be issued until the Trustee receives a Certificate of an Authorized Officer setting forth (i) the aggregate principal amount of Series 2020C-R1 Refunding Bonds to be issued, (ii) as applicable, the interest rates, principal amounts maturing, dated date, term of capitalized interest, redemption premiums, sinking fund installments, sinking fund payment dates, other redemption terms applicable to the Series 2020C-R1 Refunding Bonds and the amounts and sources of funds to be deposited in the Defeased Series 2012A Bond Escrow Fund, (iii) any changes to the Series 2012A Bond Resolution required by any Rating Agency rating the Series 2020C-R1 Refunding Bonds, (iv) that the amount of Savings is equal to or greater than three percent (3%) of the principal amount of the Series 2012A Bonds to be Refunded on a net present value basis, (v) the Savings Credit Schedule and the Withheld Savings, if any, relating to each respective Borrower, (vi) the Disclosure Borrowers, if any, as determined pursuant to the criteria set forth in Section 6.05 hereof, and (vii) subject to the parameters set forth in the definition of the Series 2020C-R1 Refunding Bonds herein and upon the advice of Bond Counsel and the Office of the Attorney General of the State and I-Bank’s professional advisors, the addition to, deletion from or modification of any financial term or any term remaining in blanks or brackets in this Series 2020C-R1 Refunding Supplemental Bond Resolution, as originally adopted on March 20, 2020, deemed necessary, desirable or convenient by any such Authorized Officer to sell the Series 2020C-R1 Refunding Bonds at the lowest cost and with the greatest Savings to effect the 2020 Refunding of the Series 2012A Bonds to be Refunded, the contents of which Certificate may be incorporated in this Series 2020C-R1 Refunding Supplemental Bond Resolution without compliance with any other provision of the Series 2012A Bond Resolution, including, without limitation, Article XI of the Original Series 2012A Bond Resolution, as amended and supplemented. The Authorized Officer executing any such Certificate shall report the substance of such Certificate to the members of the I-Bank at their next public meeting.

SECTION 6.02. Series 2020C-R1 Refunding Supplemental Bond Resolution to Govern. To the extent that the provisions of this Series 2020C-R1 Refunding Supplemental Bond Resolution are inconsistent with the provisions of the Original Series 2012A Bond Resolution, the provisions of this Series 2020C-R1 Refunding Supplemental Bond Resolution shall control.

SECTION 6.03. Incidental Action. The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order (i) to effectuate the sale and issuance of the Series 2020C-R1 Refunding Bonds and (ii) to effect the 2020 Refunding of the Series 2012A Bonds to be Refunded.

SECTION 6.04. Series 2020C-R1 Refunding Supplemental Bond Resolution Amendments. This Series 2020C-R1 Refunding Supplemental Bond Resolution may be
amended and supplemented prior to the issuance of the Series 2020C-R1 Refunding Bonds by a Certificate of an Authorized Officer contemplated by Section 6.01 hereof without any further compliance with the provisions for adoption of a supplemental resolution under the Original Series 2012A Bond Resolution, as amended and supplemented, including, without limitation, Article XI thereof. All other amendments and supplements hereto shall be effected in accordance with the terms of the Series 2012A Bond Resolution relating to the amendment or supplement to a Supplemental Resolution.

SECTION 6.05. Continuing Disclosure. Prior to the issuance of the Series 2020C-R1 Refunding Bonds, the I-Bank, pursuant to the sole discretion of an Authorized Officer of the I-Bank, in consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank, shall determine if any Borrower is a material "obligated person" within the meaning and for the purposes of Rule 15c2-12, based upon the following criteria hereby established as the means of satisfying the meaning and purposes of Rule 15c2-12: Borrowers shall be considered to be material "obligated persons" if their remaining Fund Loan repayments in all Coverage Providing Financing Programs (unless defined in this Section 6.05, capitalized terms not defined in this Series 2020C-R1 Refunding Supplemental Bond Resolution and used in this Section 6.05 shall have the respective meanings ascribed to such terms in the Master Program Trust Agreement), when aggregated with such Borrower’s remaining Series 2012A I-Bank Loan repayments, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs and (ii) the aggregate of all remaining Series 2012A I-Bank Loan repayments from all Borrowers.

To the extent any Borrowers that have been determined to be material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 have entered into Service Agreements with Underlying Government Units and if any such Underlying Government Units have entered into Service Agreements with Indirect Underlying Government Units (as such terms are defined in the Series 2012A I-Bank Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materially secure the remaining Series 2012A Fund Loan repayments and the Series 2012A I-Bank Loan repayments of any such Borrowers to such extent that such annual and indirect annual charges would in and of themselves exceed the ten percent (10%) test described above, any such Underlying Government Unit and Indirect Underlying Government Unit shall also be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12.

Any Borrower determined to be a material “obligated person” based upon the criteria set forth herein shall be required to enter into a Series 2020C-R1 Borrower Continuing Disclosure Agreement with respect to the obligation of such Borrower and any Underlying Government Unit or Indirect Underlying Government Unit, if applicable, with a term as specified therein, by and among such Borrower, the I-Bank and the Trustee, substantially in the form attached hereto as Exhibit A, with such changes therein as shall be approved by the I-Bank as evidenced by the execution thereof by an Authorized Officer of the I-Bank.

The I-Bank hereby determines that it is not an "obligated person". The I-Bank hereby determines that the Program is an “obligated person”. Accordingly, the I-Bank hereby covenants
to provide on behalf of the Program notice of Bond Disclosure Events (as defined in the Series 2020C-R1 I-Bank Continuing Disclosure Agreement), if material, with respect to the Series 2020C-R1 Refunding Bonds to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC or the Municipal Securities Rulemaking Board and the State Information Depository, if any, recognized by the SEC.

Notwithstanding any provision to the contrary in Article XI of the Original Series 2012A Bond Resolution, as amended and supplemented, the I-Bank may amend or supplement this Section 6.05 to comply with any amendment, supplement, modification, termination, interpretation or other change to Rule 15c2-12.

SECTION 6.06. [Reserved.]

SECTION 6.07. Effective Date. This Series 2020C-R1 Refunding Supplemental Bond Resolution shall take effect in accordance with paragraphs i and j of Section 4 of Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented, which provisions include, without limitation, the requirement that the Governor and Treasurer of the State approve this Series 2020C-R1 Refunding Supplemental Bond Resolution.
EXHIBIT A

FORMS OF DEFEASED SERIES 2012A BOND ESCROW DEPOSIT AGREEMENT AND SERIES 2020C-R1 CONTINUING DISCLOSURE AGREEMENT

See Closing Item 5.02 for Escrow Deposit Agreement
See Closing Item 3.14 for Continuing Disclosure Agreement
SUPPLEMENTAL BOND RESOLUTION

AUTHORIZING THE ISSUANCE OF

ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS, SERIES 2020C-R2 (2012B AND 2012C FINANCING PROGRAMS) (FEDERALLY TAXABLE)

OF THE NEW JERSEY INFRASTRUCTURE BANK

Adopted March 20, 2020, as amended and supplemented by a Certificate of an Authorized Officer of the I-Bank in accordance with Section 6.01 hereof
SUPPLEMENTAL BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF
ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS,
SERIES 2020C-R2 (2012B AND 2012C FINANCING PROGRAMS)
(FEDERALLY TAXABLE)
OF THE NEW JERSEY INFRASTRUCTURE BANK

WHEREAS, on May 3, 2012, the New Jersey Infrastructure Bank (formerly known as the New Jersey Environmental Infrastructure Trust), a public body corporate and politic with corporate succession (the “I-Bank”), duly created and validly existing under the laws of the State of New Jersey (the “State”), including, without limitation, the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 et seq.), as the same has been and in the future may be further amended and supplemented from time to time (the “Act”), issued its “Environmental Infrastructure Bonds, Series 2012B (AMT)”, dated May 3, 2012, in the original aggregate principal amount of $20,490,000 (the “Series 2012B Bonds”), in accordance with the provisions of (i) the “Environmental Infrastructure Bond Resolution, Series 2012B” of the I-Bank, duly adopted by the I-Bank on March 15, 2012 (the “Original 2012B Bond Resolution”), (ii) the Act and (iii) all other applicable law;

WHEREAS, on May 3, 2012, the I-Bank issued its “Environmental Infrastructure Bonds, Series 2012C (Federally Taxable)”, dated May 3, 2012, in the original aggregate principal amount of $4,775,000 (the “Series 2012C Bonds”; the Series 2012B Bonds and the Series 2012C Bonds shall be referred to collectively herein as the “Prior Bonds”), in accordance with the provisions of (i) the “Environmental Infrastructure Bond Resolution, Series 2012C” of the I-Bank, duly adopted by the I-Bank on March 15, 2012 (the “Original 2012C Bond Resolution”; the Original 2012B Bond Resolution and the Original 2012C Bond Resolution shall be referred to collectively herein as the “Original Bond Resolutions”), (ii) the Act and (iii) all other applicable law;

WHEREAS, the primary share of the proceeds of the Series 2012B Bonds was applied by the I-Bank to the making of loans (the “Series 2012B I-Bank Loans”) to each of the Series 2012B Borrowers (as hereinafter defined) to finance or refinance approximately 25% of the then-eligible costs for the acquisition, construction, renovation and installation of their respective environmental infrastructure projects (the “Series 2012B Projects”), all in accordance with the New Jersey Environmental Infrastructure Financing Program, Series 2012B, created by the State to implement the Federally financed State Revolving Loan Program in the State (the “Series 2012B Program”);

WHEREAS, the primary share of the proceeds of the Series 2012C Bonds was applied by the I-Bank to the making of a loan (the “Series 2012C I-Bank Loan”; the Series 2012B I-Bank Loans and the Series 2012C I-Bank Loan shall be referred to collectively herein as the “I-Bank Loans”) to the Series 2012C Borrower (as hereinafter defined) to finance or refinance approximately 25% of the then-eligible costs for the acquisition, construction, renovation and installation of the environmental infrastructure project (the “Series 2012C Project”; the Series...
2012B Projects and the Series 2012C Project shall be referred to collectively herein as the “Projects”), all in accordance with the New Jersey Environmental Infrastructure Financing Program, Series 2012C, created by the State to implement the Federally financed State Revolving Loan Program in the State (the “Series 2012C Program”; the Series 2012B Program and the Series 2012C Program shall be referred to collectively herein as the “Programs”);

WHEREAS, the State, acting by and through the New Jersey Department of Environmental Protection (the “DEP”), simultaneously made a companion loan (the “Series 2012B Fund Loans”) to each of the Series 2012B Borrowers for approximately 75% of the then eligible costs of each such Series 2012B Project, with the balance of any such costs funded (i) by the respective Borrower or (ii) by supplemental loans from the I-Bank and the State in other annual New Jersey Environmental Infrastructure Financing Programs;

WHEREAS, the State, acting by and through the DEP, simultaneously made a companion loan (the “Series 2012C Fund Loan”; the Series 2012B Fund Loans and the Series 2012C Fund Loan shall be referred to collectively herein as the “Fund Loans”) to the Series 2012C Borrower for approximately 75% of the then eligible costs of such Series 2012C Project, with the balance of any such costs funded (i) by the Borrower or (ii) by supplemental loans from the I-Bank and the State in other annual New Jersey Environmental Infrastructure Financing Programs;

WHEREAS, the repayment obligation with respect to the Series 2012B I-Bank Loans was evidenced and secured by, as the case may be, a revenue bond issued by the authority Series 2012B Borrower and revenue bonds issued by the private Series 2012B Borrowers (collectively, the “Series 2012B Borrower I-Bank Loan Bonds”) in accordance with all applicable law;

WHEREAS, the repayment obligation with respect to the Series 2012C I-Bank Loan was evidenced and secured by a revenue bond issued by the Series 2012 Borrower (the “Series 2012C Borrower I-Bank Loan Bond”; the Series 2012B Borrower I-Bank Loan Bonds and the Series 2012C Borrower I-Bank Loan Bond shall be referred to collectively herein as the “Borrower I-Bank Loan Bonds”) in accordance with all applicable law;

WHEREAS, the repayment obligation with respect to the Series 2012B Fund Loans was evidenced and secured by, as the case may be, a revenue bond issued by the authority Series 2012B Borrower and revenue bonds issued by the private Series 2012B Borrowers (collectively, the “Series 2012B Borrower Fund Loan Bonds”; the Series 2012B Borrower I-Bank Loan Bonds and the Series 2012B Borrower Fund Loan Bonds shall be referred to collectively herein as the “Series 2012B Borrower Bonds”) in accordance with all applicable law;

WHEREAS, the repayment obligation with respect to the Series 2012C Fund Loan was evidenced and secured by a revenue bond issued by the Series 2012C Borrower (the “Series 2012C Borrower Fund Loan Bond”; the Series 2012C Borrower I-Bank Loan Bond and the Series 2012C Borrower Fund Loan Bond shall be referred to collectively herein as the “Borrower Bonds”) in accordance with all applicable law;
WHEREAS, the Series 2012B Bonds are principally secured by the Series 2012B I-Bank Loan repayment obligations of the Series 2012B Borrowers as evidenced by the Series 2012B Borrower I-Bank Loan Bonds;

WHEREAS, the Series 2012C Bonds are principally secured by the Series 2012C I-Bank Loan repayment obligations of the Series 2012C Borrower as evidenced and secured by the Series 2012C Borrower I-Bank Loan Bond;

WHEREAS, payment of the principal of and interest on the Prior Bonds is also secured pursuant to the terms of that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the I-Bank, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ) (predecessor to The Bank of New York Mellon), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder, as amended and supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 1998, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the I-Bank, as further amended and supplemented by that certain First General Amendment to Master Program Trust Agreement, dated September 1, 2006, by and among the I-Bank, the State, U.S. Bank Trust National Association, as Master Program Trustee thereunder, Wachovia Bank, National Association (predecessor to U.S. Bank National Association), as Trustee and Loan Servicer, The Bank of New York (predecessor to The Bank of New York Mellon), as Trustee and Loan Servicer, and Commerce Bank, National Association (predecessor to TD Bank, National Association), as Loan Servicer, as the same may be amended and supplemented from time to time in accordance with its terms (as amended and supplemented, the “Master Program Trust Agreement”);

WHEREAS, the I-Bank has determined that net present value savings (the “2012B Gross Savings”) can be achieved upon the defeasance and advance refunding of a portion of the Series 2012B Bonds, through the implementation of the hereinafter defined 2020 Refunding of the Series 2012B Bonds to be Refunded (net of all costs incurred in connection therewith, the “2012B Savings”);

WHEREAS, the I-Bank has determined that net present value savings (the “2012C Gross Savings”) can be achieved upon the defeasance and advance refunding of a portion of the Series 2012C Bonds, through the implementation of the hereinafter defined 2020 Refunding of the Series 2012C Bonds to be Refunded (net of all costs incurred in connection therewith, the “2012C Savings”; the 2012B Savings and the 2012C Savings shall be referred to collectively herein as the “Savings”);

WHEREAS, Section 2.04(1) of the Original 2012B Bond Resolution and the terms of this Series 2020C-R2 Refunding Supplemental Bond Resolution (as hereinafter defined) authorize the issuance of a portion of the hereinafter defined Series 2020C-R2 Refunding Bonds, consisting of such portions of such maturities of the Series 2020C-R2 Refunding Bonds as are
set forth in Section 2.03(C)(i) hereof (the “2012B Allocable Portion”), as “Refunding Bonds” to achieve the 2020 Refunding of the Series 2012B Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original 2012B Bond Resolution;

WHEREAS, Section 2.04(1) of the Original 2012C Bond Resolution and the terms of this Series 2020C-R2 Refunding Supplemental Bond Resolution authorize the issuance of a portion of the Series 2020C-R2 Refunding Bonds, consisting of such portions of such maturities of the Series 2020C-R2 Refunding Bonds as are set forth in Section 2.03(C)(ii) hereof (the “2012C Allocable Portion”), as “Refunding Bonds” to achieve the 2020 Refunding of the Series 2012C Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original 2012C Bond Resolution;

WHEREAS, payment of the principal of and interest on the Series 2020C-R2 Refunding Bonds when due will be secured pursuant to the terms of the Master Program Trust Agreement;

WHEREAS, the I-Bank shall issue its “Environmental Infrastructure Refunding Bonds, Series 2020C-R2 (Federally Taxable)”, to be dated the date of issuance thereof, with an exact aggregate principal amount and an exact dated date thereof to be determined by an Authorized Officer (as hereinafter defined) of the I-Bank upon the issuance thereof in accordance with the terms of this Series 2020C-R2 Refunding Supplemental Bond Resolution (the “Series 2020C-R2 Refunding Bonds”), all pursuant to the terms of: (i)(1) the Original 2012B Bond Resolution and (2) the Original 2012C Bond Resolution, each as amended and supplemented by this “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2020C-R2 (2012B and 2012C Financing Programs) (Federally Taxable) of the New Jersey Infrastructure Bank”, adopted by the I-Bank on March 20, 2020, as amended and supplemented by a certificate of an Authorized Officer of the I-Bank, dated the date of issuance of the Series 2020C-R2 Refunding Bonds (as amended and supplemented, the “Series 2020C-R2 Refunding Supplemental Bond Resolution”); (ii) the Act; and (iii) all other applicable law;

WHEREAS, upon issuance of the Series 2020C-R2 Refunding Bonds, the I-Bank shall establish an escrow fund (the “Defeased Series 2012B Bond Escrow Fund”) in accordance with the terms of that certain “Escrow Deposit Agreement, Series 2020C-R2 (2012B Financing Program)”, dated the date of issuance of the Series 2020C-R2 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “Defeased Series 2012B Bond Escrow Deposit Agreement”), by and between the I-Bank and U.S. Bank National Association, Edison, New Jersey (the original Trustee pursuant to the Original 2012B Bond Resolution), as Defeased Series 2012B Bond Escrow Agent (or any successor thereto, the “Defeased Series 2012B Bond Escrow Agent”) thereunder;

WHEREAS, upon issuance of the Series 2020C-R2 Refunding Bonds, the I-Bank will cause a portion of the proceeds thereof to be deposited in the Defeased Series 2012B Bond Escrow Fund in an amount that, together with interest earned thereon, will be sufficient to pay (i) all of the accrued interest due and payable from September 1, 2020 through and including September 1, 2021 (the “Series 2012B Redemption Date”) on a portion of the Outstanding Series
2012B Bonds otherwise maturing on September 1, 2022 through and including September 1, 2031 (collectively, the “Series 2012B Bonds to be Refunded”), (ii) all of the principal of the Series 2012B Bonds to be Refunded on the Series 2012B Redemption Date, and (iii) the redemption premium, if any, applicable to redeeming all of the Series 2012B Bonds to be Refunded on the Series 2012B Redemption Date (collectively, the “2020 Refunding of the Series 2012B Bonds to be Refunded”);

WHEREAS, upon issuance of the Series 2020C-R2 Refunding Bonds, the I-Bank will finance the 2020 Refunding of the Series 2012B Bonds to be Refunded with a deposit into the Defeased Series 2012B Bond Escrow Fund from a portion of the proceeds of the Series 2020C-R2 Refunding Bonds, all as set forth in (i) this Series 2020C-R2 Refunding Supplemental Bond Resolution, (ii) a Certificate of an Authorized Officer of the I-Bank and (iii) the Defeased Series 2012B Bond Escrow Deposit Agreement, it being noted that there are no moneys remaining on deposit in the Funds and Accounts established and existing under the Original 2012B Bond Resolution and held by U.S. Bank National Association, Edison, New Jersey, as Trustee (or any successor thereto, the “2012B Trustee”) thereunder, that are available for deposit into the Defeased Series 2012B Bond Escrow Fund;

WHEREAS, upon issuance of the Series 2020C-R2 Refunding Bonds, the I-Bank shall establish an escrow fund (the “Defeased Series 2012C Bond Escrow Fund”) in accordance with the terms of that certain “Escrow Deposit Agreement, Series 20120C-R2 (2012C Financing Program)”, dated the date of issuance of the Series 2020C-R2 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “Defeased Series 2012C Bond Escrow Deposit Agreement”), by and between the I-Bank and U.S. Bank National Association, Edison, New Jersey (the original Trustee pursuant to the Original 2012C Bond Resolution), as Defeased Series 2012C Bond Escrow Agent (or any successor thereto, the “Defeased Series 2012C Bond Escrow Agent”) thereunder;

WHEREAS, upon issuance of the Series 2020C-R2 Refunding Bonds, the I-Bank will cause a portion of the proceeds thereof to be deposited in the Defeased Series 2012C Bond Escrow Fund in an amount that, together with interest earned thereon, will be sufficient to pay (i) all of the accrued interest due and payable on September 1, 2020 through and including September 1, 2021 (the “Series 2012C Redemption Date”) on a portion of the Outstanding Series 2012C Bonds otherwise maturing on September 1, 2022 through and including September 1, 2031 (collectively, the “Series 2012C Bonds to be Refunded”), (ii) all of the principal of the Series 2012C Bonds to be Refunded on the Series 2012C Redemption Date, and (iii) the redemption premium, if any, applicable to redeeming all of the Series 2012C Bonds to be Refunded on the Series 2012C Redemption Date (collectively, the “2020 Refunding of the Series 2012C Bonds to be Refunded”);

WHEREAS, upon issuance of the Series 2020C-R2 Refunding Bonds, the I-Bank will finance the 2020 Refunding of the Series 2012C Bonds to be Refunded with a deposit into the Defeased Series 2012C Bond Escrow Fund from a portion of the proceeds of the Series 2020C-R2 Refunding Bonds, all as set forth in (i) this Series 2020C-R2 Refunding Supplemental Bond Resolution, (ii) a Certificate of an Authorized Officer of the I-Bank and (iii) the Defeased Series 2012C Bond Escrow Deposit Agreement, it being noted that there are no moneys remaining on
deposit in the Funds and Accounts established and existing under the Original 2012C Bond Resolution and held by U.S. Bank National Association, Edison, New Jersey, as Trustee (or any successor thereto, the “2012C Trustee”) thereunder, that are available for deposit into the Defeased Series 2012C Bond Escrow Fund;

WHEREAS, upon issuance of the Series 2020C-R2 Refunding Bonds, the I-Bank, in accordance with the Act, the Original Bond Resolutions, this Series 2020C-R2 Refunding Supplemental Bond Resolution and a financial plan approved by the State Legislature in accordance with Section 23 of the Act will (i) issue the Series 2020C-R2 Refunding Bonds for the purpose of (1) applying the primary share of the 2012B Allocable Portion of the proceeds thereof toward the 2020 Refunding of the Series 2012B Bonds to be Refunded and (2) applying the primary share of the 2012C Allocable Portion of the proceeds thereof toward the 2020 Refunding of the Series 2012C Bonds to be Refunded, (ii) apply the balance of the proceeds thereof to the payment of certain costs incurred in connection therewith, and (iii) pass on to each of the Borrowers their pro rata portion of the Savings achieved from the 2020 Refunding of the Bonds to be Refunded (as hereinafter defined), such pro rata portion of the Savings to be applied as an additional credit to the existing I-Bank Loan repayment obligations of such Borrowers; provided, however, that an Authorized Officer of the I-Bank may withhold from the Borrowers a portion of the Savings, to the extent that it is reasonably required to reimburse the I-Bank for direct out of pocket costs of issuing the Series 2020C-R2 Refunding Bonds that have been paid by the I-Bank and not otherwise financed from the proceeds of the Series 2020C-R2 Refunding Bonds, the amount of which portion, if any, being set forth on the Savings Credit Schedule (as hereinafter defined) under the heading “Withheld Savings” (the “Withheld Savings”);

WHEREAS, the I-Bank desires to appoint the Series 2020C-R2 Refunding Fiduciary (as hereinafter defined) to fulfill certain duties and responsibilities set forth in the Original Bond Resolutions with respect to the Series 2020C-R2 Refunding Bonds, as further set forth in this Series 2020C-R2 Refunding Supplemental Bond Resolution;

WHEREAS, in order to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the “Securities Exchange Act”), including any successor regulation or statute thereto (“Rule 15c2-12”), the I-Bank (i) has determined that each of the Programs is and (ii) will determine whether certain Borrowers (the “Disclosure Borrowers”) and, if applicable, whether certain related local government units, are material “obligated persons” in connection with the issuance of the Series 2020C-R2 Refunding Bonds, as the term “obligated person” is defined in Rule 15c2-12, based upon criteria set forth in this Series 2020C-R2 Refunding Supplemental Bond Resolution;

WHEREAS, prior to or simultaneously with the issuance of the Series 2020C-R2 Refunding Bonds, each such Disclosure Borrower, if any, shall enter into a separate “Series 2020C-R2 Continuing Disclosure Agreement”, to be dated the date of issuance of the Series 2020C-R2 Refunding Bonds, with the Series 2020C-R2 Refunding Fiduciary and the I-Bank (as the same may be further amended and supplemented from time to time in accordance with their respective terms (the “Series 2020C-R2 Borrower Continuing Disclosure Agreements”), for the purpose of satisfying Rule 15c2-12 and the purposes and intent thereof, as Rule 15c2-12, its
purposes and intent may hereafter be interpreted from time to time by the SEC or any court of
competent jurisdiction; and

WHEREAS, prior to or simultaneously with the issuance of the Series 2020C-R2
Refunding Bonds, the I-Bank shall enter into a “Series 2020C-R2 Refunding Bonds I-Bank
Continuing Disclosure Agreement”, to be dated the date of issuance of the Series 2020C-R2
Refunding Bonds, with the Series 2020C-R2 Refunding Fiduciary (as the same may be further
amended and supplemented from time to time in accordance with the terms thereof, the “Series
2020C-R2 I-Bank Continuing Disclosure Agreement”; the Series 2020C-R2 Borrower
Continuing Disclosure Agreements and the Series 2020C-R2 I-Bank Continuing Disclosure
Agreement shall be referred to collectively herein as the “Series 2020C-R2 Continuing
Disclosure Agreements”), for the purpose satisfying Rule 15c2-12 and the purposes and intent
thereof, as Rule 15c2-12, its purposes and intent may hereafter be interpreted from time to time
by the SEC or any court of competent jurisdiction.

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

DEFINITIONS AND AUTHORITY FOR
SERIES 2020C-R2 REFUNDING SUPPLEMENTAL BOND RESOLUTION

SECTION 1.01. Definitions.

(A) As used in this Series 2020C-R2 Refunding Supplemental Bond Resolution, unless the context requires otherwise, all capitalized terms not defined herein shall have the meanings ascribed to such terms in Section 1.01 of the respective Original Bond Resolutions, as each may be amended and supplemented from time to time in accordance with the respective terms thereof.

(B) The following capitalized terms set forth in this Series 2020C-R2 Refunding Supplemental Bond Resolution shall have the respective meanings ascribed to such terms in the recitals to this Series 2020C-R2 Refunding Supplemental Bond Resolution:

Act
Borrower Bonds
Borrower I-Bank Loan Bonds
Defeased Series 2012B Bond Escrow Agent
Defeased Series 2012B Bond Escrow Deposit Agreement
Defeased Series 2012B Bond Escrow Fund
Defeased Series 2012C Bond Escrow Agent
Defeased Series 2012C Bond Escrow Deposit Agreement
Defeased Series 2012C Bond Escrow Fund
Fund Loans
I-Bank
I-Bank Loans
2012B Allocable Portion
2012B Gross Savings
2012B Savings
2012B Trustee
2012C Allocable Portion
2012C Gross Savings
2012C Savings
2012C Trustee
Original Bond Resolutions
Original 2012B Bond Resolution
Original 2012C Bond Resolution
Outstanding Series 2012B Bonds
Outstanding Series 2012C Bonds
Projects
Programs
Rule 15c2-12
Savings
SEC
Securities Exchange Act
Series 2012B Bond Resolution
Series 2012B Bonds
Series 2012B Bonds to be Refunded
Series 2012B Borrower Bonds
Series 2012B Borrower Fund Loan Bonds
Series 2012B Borrower I-Bank Loan Bonds
Series 2012B Fund Loans
Series 2012B Program
Series 2012B Projects
Series 2012B I-Bank Loans
Series 2012C Bond Resolution
Series 2012C Bonds
Series 2012C Bonds to be Refunded
Series 2012C Borrower Bonds
Series 2012C Borrower Fund Loan Bond
Series 2012C Borrower I-Bank Loan Bond
Series 2012C Fund Loan
Series 2012C Program
Series 2012C Project
Series 2012C I-Bank Loan
Series 2020C-R2 Continuing Disclosure Agreements
Series 2020C-R2 Borrower Continuing Disclosure Agreements
Series 2020C-R2 Refunding Bonds
Series 2020C-R2 Refunding Supplemental Bond Resolution
In addition, as used in this Series 2020C-R2 Refunding Supplemental Bond Resolution, unless the context requires otherwise, the following terms shall have the following meanings:

“Allocable Portions” shall mean, collectively, the 2012B Allocable Portion and the 2012C Allocable Portion.

“Authorized Officer” means, in the case of the I-Bank, the Chairperson, Vice-Chairperson, Secretary or 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 hereunder; the designation of such person or persons shall be evidenced by a written Certificate containing the specimen signature of such person or persons and signed on behalf of the I-Bank by its Chairperson, Vice-Chairperson, Secretary or Executive Director and delivered to, as the case may be, the applicable Trustee or the Series 2020C-R2 Refunding Fiduciary.

“Bond Year” shall mean a period of 12 consecutive months beginning on September 1 of any calendar year and ending on August 31 of the immediately succeeding calendar year, except that the first bond year shall be a period commencing on the date of issuance of the Series 2020C-R2 Refunding Bonds and ending on August 31, 2020.

“Bondholder”, “Holder” or “holder” shall mean any person who shall be the registered owner of a Series 2020C-R2 Refunding Bond.

“Bonds to be Refunded” shall mean, collectively, the Series 2012B Bonds to be Refunded and the Series 2012C Bonds to be Refunded.

“Borrowers” shall mean, collectively, the Series 2012B Borrowers and the Series 2012C Borrower.

“Defeased Bond Escrow Deposit Agreements” shall mean, collectively, the Defeased Series 2012B Bond Escrow Deposit Agreement and the Defeased Series 2012C Bond Escrow Deposit Agreement.

“Defeased Bond Escrow Funds” shall mean, collectively, the Defeased Series 2012B Bond Escrow Fund and the Defeased Series 2012C Bond Escrow Fund.

“DTC” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Series 2020C-R2 Refunding Bonds.
“DTC Representation Letter” means the agreement entered into by and between the I-Bank and DTC, detailing the rights, duties and obligations of the parties thereto relative to the Series 2020C-R2 Refunding Bonds.

“I-Bank Conditions Precedent” shall mean the written approval of the Governor and Treasurer of the State of this Series 2020C-R2 Refunding Supplemental Bond Resolution in satisfaction of the requirements of Section 4(j) of the Act, and compliance with the applicable requirements of Section 6(g) of the Act relating to the Joint Budget Oversight Committee.

“2012B Paying Agent” shall mean the “Paying Agent” as such term is defined in the Series 2012B Bond Resolution.

“2012C Paying Agent” shall mean the “Paying Agent” as such term is defined in the Series 2012C Bond Resolution.

“Record Date” shall mean with respect to an Interest Payment Date for a particular Series of Bonds, unless otherwise provided by this Series 2020C-R2 Refunding Supplemental Bond Resolution, (i) if the Interest Payment Date is scheduled for the first (1st) day of any month, the fifteenth (15th) day (whether or not such day shall be a Business Day) of the month prior to such Interest Payment Date, or (ii) if the Interest Payment Date is scheduled for the fifteenth (15th) day of any month, the first (1st) day (whether or not such day shall be a Business Day) of the month in which such Interest Payment Date occurs.

“Savings Credit” shall mean the pro rata portion of the Savings, other than the Withhold Savings, if any, allocated by the I-Bank to each Borrower, as such pro rata portion shall be identified by the I-Bank in the Savings Credit Schedule, relating to each respective Borrower, under the column therein entitled “Savings Credit (Total)”.

“Savings Credit Schedule” shall mean collectively or individually, as the case may be, the schedule, prepared by or at the direction of the I-Bank with respect to each Borrower, demonstrating the Savings Credit and Withheld Savings, if any, such Savings Credit Schedule to be included by the I-Bank as an exhibit to that certain Certificate of an Authorized Officer of the I-Bank pursuant to Section 6.01 hereof.

“Series Bond Resolutions” shall mean, collectively, the Series 2012B Bond Resolution and the Series 2012C Bond Resolution.

“Series 2012B Bond Resolution” shall mean the Original 2012B Bond Resolution, as amended and supplemented by this Series 2020C-R2 Refunding Supplemental Bond Resolution, and as the same may be further amended and supplemented from time to time in accordance with its terms.

“Series 2012B Borrowers” shall mean individually or collectively, as the case may be, each local governmental unit or private water company that previously has received a Series 2012B I-Bank Loan and, in accordance with this Series 2020C-R2 Refunding Supplemental
Resolution, will receive its pro rata share of the 2012B Savings, less the Withheld Savings, if any.

“Series 2012B Outstanding Obligations” shall mean, collectively, all of the Outstanding (1) Series 2012B Bonds, (2) 2012B Allocable Portion and (3) Additional Bonds issued from time to time pursuant to the Series 2012B Bond Resolution.

“Series 2012C Bond Resolution” shall mean the Original 2012C Bond Resolution, as amended and supplemented by this Series 2020C-R2 Refunding Supplemental Bond Resolution, and as the same may be further amended and supplemented from time to time in accordance with its terms.

“Series 2012C Borrower” shall mean the local governmental unit that previously has received a Series 2012C I-Bank Loan and, in accordance with this Series 2020C-R2 Refunding Supplemental Resolution, will receive the 2012C Savings, less the Withheld Savings, if any.

“Series 2012C Outstanding Obligations” shall mean, collectively, all of the Outstanding (1) Series 2012C Bonds, (2) 2012C Allocable Portion and (3) Additional Bonds issued from time to time pursuant to the Series 2012C Bond Resolution.

“Series Paying Agents” shall mean, collectively, the 2012B Paying Agent and the 2012C Paying Agent.

“Series Trustees” shall mean, collectively, the 2012B Trustee and the 2012C Trustee.

“Series 2020C-R2 Refunding Fiduciary” shall mean the fiduciary appointed pursuant to Section 4.01 hereof, and its successor or successors and any other corporation or banking association which may at any time be substituted in its place pursuant to this Series 2020C-R2 Refunding Supplemental Bond Resolution.

“2020 Refunding of the Bonds to be Refunded” shall mean, collectively, the 2020 Refunding of the 2012B Bonds to be Refunded and the 2020 Refunding of the 2012C Bonds to be Refunded

SECTION 1.02. Authority for Supplemental Bond Resolution. This Series 2020C-R2 Refunding Supplemental Bond Resolution is adopted pursuant to, and in accordance with, the provisions of the Act and Section 2.04 and Article XI of each of the Original Bond Resolutions, and serves to amended and supplemented each of the Original Bond Resolutions.
ARTICLE II

AUTHORIZATION AND DETAILS OF SERIES 2020C-R2 REFUNDING BONDS

SECTION 2.01. [Reserved].

SECTION 2.02. Issuance of Series 2020C-R2 Refunding Bonds; Parity Nature of Bonds; Savings.

(A) The I-Bank hereby declares the issuance of the Series 2020C-R2 Refunding Bonds to be an authorized undertaking of the I-Bank pursuant to the Act and Section 2.04(1) of each of the Original Bond Resolutions, as amended and supplemented, and hereby authorizes and directs an Authorized Officer to execute and deliver all documents necessary or desirable in connection therewith.

(B) (i) In accordance with the terms of the Series 2012B Bond Resolution, upon the issuance of the Series 2020C-R2 Refunding Bonds in accordance with the terms hereof, the Holders of the Series 2020C-R2 Refunding Bonds, to the extent of the 2012B Allocable Portion thereof, shall be equally and ratably entitled to the benefit of the pledge of the Trust Estate (as defined in the Series 2012B Bond Resolution) pursuant to the Series 2012B Bond Resolution with the Holders of any other Series of Bonds to be issued pursuant to the Series 2012B Bond Resolution, including, without limitation, the rights to the Loan Repayments (as defined in the Series 2012B Bond Resolution). Accordingly, all of the Series 2012B Outstanding Obligations shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2012B Bond Resolution.

(ii) In accordance with the terms of the Series 2012C Bond Resolution, upon the issuance of the Series 2020C-R2 Refunding Bonds in accordance with the terms hereof, the Holders of the Series 2020C-R2 Refunding Bonds, to the extent of the 2012C Allocable Portion thereof, shall be equally and ratably entitled to the benefit of the pledge of the Trust Estate (as defined in the Series 2012C Bond Resolution) pursuant to the Series 2012C Bond Resolution with the Holders of any other Series of Bonds to be issued pursuant to the Series 2012C Bond Resolution, including, without limitation, the rights to the Loan Repayments (as defined in the Series 2012C Bond Resolution). Accordingly, all of the Series 2012C Outstanding Obligations shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2012C Bond Resolution.

(C) (i) As a result of the parity nature of the Series 2012B Outstanding Obligations, the Loan Repayments to be made by the Series 2012B Borrowers shall be allocated by the 2012B Trustee on a pro-rata basis to the Accounts within the Revenue Fund, and thereafter the Debt Service Fund (as such terms are defined in the Series 2012B Bond Resolution), for each such Series 2012B Outstanding Obligations for payment of the principal and redemption premium, if any, of and the interest on all of such Series 2012B Outstanding Obligations.
(ii) As a result of the parity nature of the Series 2012C Outstanding Obligations, the Loan Repayments to be made by the Series 2012C Borrower shall be allocated by the 2012C Trustee on a pro-rata basis to the Accounts within the Revenue Fund, and thereafter the Debt Service Fund (as such terms are defined in the Series 2012C Bond Resolution), for each such Series 2012C Outstanding Obligations for payment of the principal and redemption premium, if any, of and the interest on all of such Series 2012C Outstanding Obligations.

(D) (i) Upon issuance of the Series 2020C-R2 Refunding Bonds, the aggregate of the sum of the principal amounts of the Series 2012B Outstanding Obligations shall be equal to or less than the aggregate principal amount of the Series 2012B Borrower I-Bank Loan Bonds that are outstanding as of such date of issuance of the Series 2020C-R2 Refunding Bonds. Upon the allocation of the Savings to the Series 2012B Borrowers through the Savings Credits and to the I-Bank through the Withheld Savings, if any, the aggregate principal amount of the Series 2012B Borrower I-Bank Loan Bonds, net of the Savings Credits and the Withheld Savings, if any, to the extent and as applied to the aggregate principal payment obligations of the Series 2012B Borrowers with respect to the aggregate Series 2012B I-Bank Loans, shall equal the aggregate principal amount of the Series 2012B Outstanding Obligations. Notwithstanding any provision to the contrary in the Series 2012B Bond Resolution and in light of the foregoing, to the extent there is an acceleration of the then Outstanding Series 2012B Outstanding Obligations, the 2012B Trustee might receive Loan Repayments earmarked to pay the principal amount of the accelerated Outstanding Series 2012B Outstanding Obligations in excess of said Outstanding Series 2012B Outstanding Obligations. In such case, any such excess amount shall be deposited by the 2012B Trustee in the General Fund (as such term is defined pursuant to the Series 2012B Bond Resolution) to be used by the I-Bank free and clear of any lien created under the Series 2012B Bond Resolution for any corporate purpose of the I-Bank.

(ii) Upon issuance of the Series 2020C-R2 Refunding Bonds, the aggregate of the sum of the principal amounts of the Series 2012C Outstanding Obligations shall be equal to or less than the aggregate principal amount of the Series 2012C Borrower I-Bank Loan Bond that is outstanding as of such date of issuance of the Series 2020C-R2 Refunding Bonds. Upon the allocation of the Savings to the Series 2012C Borrower through the Savings Credits and to the I-Bank through the Withheld Savings, if any, the aggregate principal amount of the Series 2012C Borrower I-Bank Loan Bond, net of the Savings Credits and the Withheld Savings, if any, to the extent and as applied to the aggregate principal payment obligations of the Series 2012C Borrowers with respect to the aggregate Series 2012C I-Bank Loans, shall equal the aggregate principal amount of the Series 2012C Outstanding Obligations. Notwithstanding any provision to the contrary in the Series 2012C Bond Resolution and in light of the foregoing, to the extent there is an acceleration of the then Outstanding Series 2012C Outstanding Obligations, the 2012C Trustee might receive Loan Repayments earmarked to pay the principal amount of the accelerated Outstanding Series 2012C Outstanding Obligations in excess of said Outstanding Series 2012C Outstanding Obligations. In such case, any such excess amount shall be deposited by the 2012C Trustee in the General Fund (as such term is defined pursuant to the Series 2012C Bond Resolution) to be used by the I-Bank free and clear of any lien created under the Series 2012C Bond Resolution for any corporate purpose of the I-Bank.
(E) (i) The 2012B Trustee is hereby authorized and directed to allocate the 2012B Savings, in the amounts, at the times and to the Series 2012B Borrowers, through the application of the 2012B Savings, other than the Withheld Savings, if any, as set forth in the Savings Credit Schedules, as a credit to the Loan Repayments otherwise due from such Series 2012B Borrower on each such Loan Repayment date specified in such Savings Credit Schedule.

(ii) The 2012C Trustee is hereby authorized and directed to allocate the 2012C Savings, in the amounts, at the times and to the Series 2012C Borrower, through the application of the 2012C Savings, other than the Withheld Savings, if any, as set forth in the Savings Credit Schedules, as a credit to the Loan Repayments otherwise due from the Series 2012C Borrower on each such Loan Repayment date specified in such Savings Credit Schedule.

(F) (i) On the date that is no more than 180 days after the date of issuance of the Series 2020C-R2 Refunding Bonds, any moneys remaining in the Costs of Issuance Account in the Operating Expense Fund (as such term is defined in the Series 2012B Bond Resolution) shall be paid by the I-Bank to the 2012B Trustee for deposit in the Debt Service Fund (as such term is defined in the Series 2012B Bond Resolution) to be used to pay interest on the Series 2012B Allocable Portion on the first available Interest Payment Date.

(ii) On the date that is no more than 180 days after the date of issuance of the Series 2020C-R2 Refunding Bonds, any moneys remaining in the Costs of Issuance Account in the Operating Expense Fund (as such term is defined in the Series 2012C Bond Resolution) shall be paid by the I-Bank to the 2012C Trustee for deposit in the Debt Service Fund (as such term is defined in the Series 2012C Bond Resolution) to be used to pay interest on the Series 2012C Allocable Portion on the first available Interest Payment Date.

SECTION 2.03. Authorization and Terms of the Series 2020C-R2 Refunding Bonds.

(A) The I-Bank hereby authorizes the issuance of the Series 2020C-R2 Refunding Bonds in the aggregate principal amount not to exceed an amount such that the aggregate principal amount of the Series 2012B Outstanding Obligations and the Series 2012C Outstanding Obligations equals the aggregate principal amount of the Outstanding Borrower I-Bank Loan Bonds (after taking into account the allocation of the Savings to the Borrowers through the Savings Credits and to the I-Bank through the Withheld Savings, if any), and in the exact principal amount as set forth in a Certificate of an Authorized Officer of the I-Bank pursuant to Section 6.01 hereof, for the following purposes: (1) the 2020 Refunding of the Bonds to be Refunded and (2) the payment of certain expenses incurred in connection with the issuance of the Series 2020C-R2 Refunding Bonds; provided that:

(i) the aggregate principal amount of the 2012B Allocable Portion shall not exceed an amount such that the aggregate principal amount of the Series 2012B Outstanding Obligations equals the aggregate principal amount of the Outstanding Series 2012B Borrower I-Bank Loan Bonds (after taking into account the allocation of the 2012B Savings to (A) the Series 2012B Borrowers through the Savings Credits and (B) the I-Bank through the Withheld Savings, if any); and
(ii) the aggregate principal amount of the 2012C Allocable Portion shall not exceed an amount such that the aggregate principal amount of the Series 2012C Outstanding Obligations equals the aggregate principal amount of the Outstanding Series 2012C Borrower I-Bank Loan Bond (after taking into account the allocation of the 2012C Savings to (A) the Series 2012C Borrower through the Savings Credits and (B) the I-Bank through the Withheld Savings, if any).

Notwithstanding any provision of this Section 2.03(A) or this Series 2020C-R2 Refunding Supplemental Bond Resolution to the contrary, the Series 2020C-R2 Refunding Bonds shall not be issued by the I-Bank until satisfaction in full of the I-Bank Conditions Precedent.

(B) The Series 2020C-R2 Refunding Bonds shall bear interest from the date of issuance thereof until final maturity (stated or otherwise) based upon the Outstanding principal amount thereof at the per annum interest rates set forth below payable to the registered owners thereof as of each applicable Record Date and payable initially on September 1, 2020 and semiannually thereafter on March 1 and September 1 in each year until final maturity (stated or otherwise). Interest on the Series 2020C-R2 Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months. The Series 2020C-R2 Refunding Bonds shall mature in the principal amounts and on September 1 in each of the years set forth below. The principal of and interest on the Series 2020C-R2 Refunding Bonds shall, except as provided in subsection (D) and Section 2.09 below, be payable as otherwise provided in each of the Original Bond Resolutions, as respectively amended and supplemented. Except as provided in subsection (D) and Section 2.09 below, interest shall be paid to the registered owner as of the applicable Record Date by check mailed on any applicable Interest Payment Date.

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<th>Interest Rate</th>
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(C) (i) The 2012B Allocable Portion shall consist of that portion of the Series 2020C-R2 Refunding Bonds maturing on the dates and in the principal amounts set forth in the table below.

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<td>2031</td>
<td>[_,000]</td>
</tr>
</tbody>
</table>

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(ii) The 2012C Allocable Portion shall consist of that portion of the Series 2020C-R2 Refunding Bonds maturing on the dates and in the principal amounts set forth in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
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<tbody>
<tr>
<td>2022</td>
<td>$[_,]000</td>
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<tr>
<td>2023</td>
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<tr>
<td>2031</td>
<td>[_,]000</td>
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</tbody>
</table>

(D) The Series 2020C-R2 Refunding Bonds shall be dated the date of issuance thereof, shall be numbered with the prefix 2020C-R2 from R-1 consecutively upward, and will be issued in fully registered form. When issued, the Series 2020C-R2 Refunding Bonds will be registered in the name of and held by Cede & Co., as the registered owner thereof and nominee for DTC. Upon issuance, the Series 2020C-R2 Refunding Bonds will be delivered to DTC in single denominations for each maturity thereof. Purchases of the Series 2020C-R2 Refunding Bonds will be made in book-entry form (without certificates) in denominations of $5,000 each or any integral multiple thereof. The Series 2020C-R2 Refunding Bonds will be issued in denominations of $5,000 each or any integral multiple thereof.

Notwithstanding any other provision in either of the Original Bond Resolutions or this Series 2020C-R2 Refunding Supplemental Bond Resolution to the contrary, so long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2020C-R2 Refunding Bonds, payments of the principal of and interest on the Series 2020C-R2 Refunding Bonds will be made directly to Cede & Co., as nominee for DTC, in accordance with the provisions of the DTC Representation Letter and Section 2.09 hereof, and interest shall be paid on each Interest Payment Date by wire transfer from the Series 2020C-R2 Refunding Fiduciary to DTC. Disbursal of such payments to the DTC participants is the responsibility of DTC, and disbursal of such payments to the beneficial owners of the Series 2020C-R2 Refunding Bonds is the responsibility of the DTC participants.

(E) The Series 2020C-R2 Refunding Bonds shall constitute a single Series of Bonds, and each such Bond shall be designated “Environmental Infrastructure Refunding Bond, Series 2020C-R2 (2012B and 2012C Financing Programs) (Federally Taxable)”; provided, however, that, in the event that an Authorized Officer determines, after consultation with Bond Counsel and the Office of the Attorney General of the State, that it is in the best interests of the I-Bank to
designate the Series 2020C-R2 Refunding Bonds as “Green Bonds”, such Series 2020C-R2 Refunding Bonds shall be designated by the title, “Environmental Infrastructure Refunding Bonds, Series 2020C-R2 (2012B and 2012C Financing Programs) (Federally Taxable) (Green Bonds)”.

SECTION 2.04. Redemption of the Series 2020C-R2 Refunding Bonds.

(A) **Optional Redemption.** The Series 2020C-R2 Refunding Bonds are not subject to optional redemption prior to their stated maturities.

(B) **Mandatory Sinking Fund Redemption.** The Series 2020C-R2 Refunding Bonds are not subject to mandatory sinking fund redemption prior to their stated maturities.

SECTION 2.05. Form of Series 2020C-R2 Refunding Bonds. The Series 2020C-R2 Refunding Bonds shall be in substantially the form set forth in Exhibit B attached hereto and made a part hereof, with such insertions, omissions or variations as may be necessary or appropriate to effectuate the purposes of this Series 2020C-R2 Refunding Supplemental Bond Resolution, including, without limitation, the dated dates, maturity dates, principal or sinking fund amounts, interest rates and redemption provisions set forth herein, and including, without limitation, the 2020 Refunding of the Bonds to be Refunded.

SECTION 2.06. Execution, Authentication and Delivery; Assignment of Certain Duties to the Series 2020C-R2 Refunding Fiduciary.

(A) The Chairperson, the Vice Chairperson and the Secretary of the I-Bank are each hereby severally authorized and directed to execute the Series 2020C-R2 Refunding Bonds, and the Secretary (except in the event that the Secretary has executed the Series 2020C-R2 Refunding Bonds) and Assistant Secretary of the I-Bank are hereby severally authorized and directed to attest to the execution of the Series 2020C-R2 Refunding Bonds by the Chairperson, the Vice Chairperson or the Secretary of the I-Bank and to affix the corporate seal of the I-Bank upon the Series 2020C-R2 Refunding Bonds by the Chairperson, the Vice Chairperson or the Secretary of the I-Bank and to affix the corporate seal of the I-Bank upon the Series 2020C-R2 Refunding Bonds, all in accordance with Article III of each of the Original Bond Resolutions, as amended and supplemented. Following execution of the Series 2020C-R2 Refunding Bonds, any Authorized Officer is hereby authorized to deliver the Series 2020C-R2 Refunding Bonds to the Series 2020C-R2 Refunding Fiduciary for authentication.

(B) With respect to the Series 2020C-R2 Refunding Bonds, the I-Bank hereby assigns to the Series 2020C-R2 Refunding Fiduciary (i) the duties assigned to the 2012B Trustee pursuant to Sections 3.03, 3.04, 3.05, 3.06, 3.07, 3.08 and Article IV of the Original 2012B Bond Resolution, as amended and supplemented, and (ii) the duties assigned to the 2012C Trustee pursuant to Sections 3.03, 3.04, 3.05, 3.06, 3.07, 3.08 and Article IV of the Original 2012C Bond Resolution, as amended and supplemented. Performance of such duties by the Series 2020C-R2 Refunding Fiduciary with respect to the Series 2020C-R2 Refunding Bonds shall be deemed to satisfy the requirements of such Sections of the respective Original Bond Resolutions with respect to the Series 2020C-R2 Refunding Bonds.
(C) The Series 2020C-R2 Refunding Fiduciary is hereby authorized and directed to authenticate the Series 2020C-R2 Refunding Bonds in accordance with Article III of each of the Original Bond Resolutions, as amended and supplemented, and Section 2.06(B) hereof, and thereafter deliver the Series 2020C-R2 Refunding Bonds to the I-Bank or purchaser thereof in accordance with a Certificate of an Authorized Officer, but such delivery shall not occur unless (i) the I-Bank Conditions Precedent have been satisfied in full and (ii) the provisions of Article II of the each of the Original Bond Resolutions, as amended and supplemented, regarding conditions precedent to the issuance of a Series of Bonds, have been satisfied in full.

SECTION 2.07. Refunding Bonds. After execution of the Series 2020C-R2 Refunding Bonds by the I-Bank as provided in each of the Original Bond Resolutions, as amended and supplemented by this Series 2020C-R2 Refunding Supplemental Bond Resolution, and after the authentication and delivery thereof as also provided in each of the Original Bond Resolutions, as amended and supplemented by this Series 2020C-R2 Refunding Supplemental Bond Resolution, (i) the 2012B Allocable Portion shall constitute Refunding Bonds in accordance with Article II of the Original 2012B Bond Resolution, as amended and supplemented, and (ii) the 2012C Allocable Portion shall constitute Refunding Bonds in accordance with Article II of the Original 2012C Bond Resolution, as amended and supplemented.

SECTION 2.08. Payment with Respect to Allocable Portions; Payment with Respect to Series 2020C-R2 Refunding Bonds.

(A) (i) The principal of the 2012B Allocable Portion shall be payable by the 2012B Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program Trust Agreement), to the Series 2020C-R2 Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2012B Trustee and the Series 2020C-R2 Refunding Fiduciary. Interest on the 2012B Allocable Portion shall be payable by the 2012B Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program Trust Agreement), to the Series 2020C-R2 Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2012B Trustee and the Series 2020C-R2 Refunding Fiduciary.

(ii) The principal of the 2012C Allocable Portion shall be payable by the 2012C Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program Trust Agreement), to the Series 2020C-R2 Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2012C Trustee and the Series 2020C-R2 Refunding Fiduciary. Interest on the 2012C Allocable Portion shall be payable by the 2012C Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program Trust Agreement), to the Series 2020C-R2 Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2012C Trustee and the Series 2020C-R2 Refunding Fiduciary.

(B) The principal of the Series 2020C-R2 Refunding Bonds shall be payable to the Holders thereof upon presentation and surrender thereof at the principal office of the Series
2020C-R2 Refunding Fiduciary. The principal of all Series 2020C-R2 Refunding Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Series 2020C-R2 Refunding Fiduciary as permitted by this Series 2020C-R2 Refunding Supplemental Bond Resolution. Interest on the Series 2020C-R2 Refunding Bonds shall be payable by check or draft of the Series 2020C-R2 Refunding Fiduciary, mailed or transmitted, respectively, to the Holders thereof as the same appear as of the Record Date on the books of the I-Bank maintained by the Series 2020C-R2 Refunding Fiduciary. However, so long as the Series 2020C-R2 Refunding Bonds are held in book-entry-only form pursuant to Section 2.09 hereof, the provisions of Section 2.09 shall govern the payment of principal of, and interest on, the Series 2020C-R2 Refunding Bonds.


(A). Except as provided in subparagraph (C) of this Section 2.09, the registered Holder of all of the Series 2020C-R2 Refunding Bonds shall be, and the Series 2020C-R2 Refunding Bonds shall be registered in the name of, Cede & Co. as nominee of DTC. Payment of semiannual interest for any Series 2020C-R2 Refunding Bond shall be made by wire transfer to the account of Cede & Co. on the Interest Payment Date for the Series 2020C-R2 Refunding Bonds at the address indicated for Cede & Co. in the registry books of the I-Bank kept by the Series 2020C-R2 Refunding Fiduciary.

(B). The Series 2020C-R2 Refunding Bonds shall be issued initially in the form of a separate single fully registered Bond in the amount of the aggregate principal amount of each separate stated maturity of the Series 2020C-R2 Refunding Bonds. Upon initial issuance, the ownership of each such Series 2020C-R2 Refunding Bond shall be registered in the registry books of the I-Bank kept by the Series 2020C-R2 Refunding Fiduciary in the name of Cede & Co., as nominee of DTC. With respect to Series 2020C-R2 Refunding Bonds registered in the registry books kept by the Series 2020C-R2 Refunding Fiduciary in the name of Cede & Co., as nominee of DTC, the I-Bank and the Series 2020C-R2 Refunding Fiduciary shall have no responsibility or obligation to any participant or to any beneficial owner of such Series 2020C-R2 Refunding Bonds. Without limiting the immediately preceding sentence, the I-Bank and the Series 2020C-R2 Refunding Fiduciary shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any participant with respect to any beneficial ownership interest in the Series 2020C-R2 Refunding Bonds, (ii) the delivery to any participant, any beneficial owner or any other person, other than DTC, of any notice with respect to the Series 2020C-R2 Refunding Bonds, including any notice of redemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than DTC, of any amount with respect to the principal of, or interest on, the Series 2020C-R2 Refunding Bonds. The I-Bank and the Series 2020C-R2 Refunding Fiduciary may treat as, and deem DTC to be, the absolute owner of each Series 2020C-R2 Refunding Bond for the purpose of payment of the principal of, and interest on, each such Series 2020C-R2 Refunding Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2020C-R2 Refunding Bonds, for the purpose of registering transfers with respect to such Series 2020C-R2 Refunding Bonds and for all other purposes whatsoever. The Series 2020C-R2 Refunding Fiduciary shall pay all principal of, and interest on, the Series 2020C-R2 Refunding Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge
the I-Bank’s obligations with respect to the principal of, and interest on, the Series 2020C-R2 Refunding Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive a Series 2020C-R2 Refunding Bond evidencing the obligation of the I-Bank to make payments of principal of, and interest on, the Series 2020C-R2 Refunding Bonds pursuant to this Series 2020C-R2 Refunding Supplemental Bond Resolution. Upon delivery by DTC to the Series 2020C-R2 Refunding Fiduciary of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the term “Cede & Co.” in this Series 2020C-R2 Refunding Supplemental Bond Resolution shall refer to such new nominee of DTC.

(C) (i) DTC may determine to discontinue providing its services with respect to the Series 2020C-R2 Refunding Bonds at any time by giving written notice to the I-Bank and the Series 2020C-R2 Refunding Fiduciary and discharging its responsibilities with respect thereto under applicable law.

(ii) The I-Bank, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2020C-R2 Refunding Bonds if the I-Bank so determines, and shall terminate the services of DTC with respect to the Series 2020C-R2 Refunding Bonds upon receipt by the I-Bank and the Series 2020C-R2 Refunding Fiduciary of written notice from DTC to the effect that DTC has received written notice from participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Series 2020C-R2 Refunding Bonds to the effect that: (1) DTC is unable to discharge its responsibilities with respect to the Series 2020C-R2 Refunding Bonds; or (2) a continuation of the requirement that all of the Outstanding Series 2020C-R2 Refunding Bonds be registered in the registration books kept by the Series 2020C-R2 Refunding Fiduciary in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2020C-R2 Refunding Bonds.

(iii) Upon the termination of the services of DTC with respect to the Series 2020C-R2 Refunding Bonds pursuant to subsection 2.09(C)(ii)(2) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2020C-R2 Refunding Bonds pursuant to subsection 2.09(C)(i) or subsection 2.09(C)(ii)(1) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the I-Bank, is willing and able to undertake such functions upon reasonable and customary terms, the Series 2020C-R2 Refunding Bonds shall no longer be restricted to being registered in the registration books kept by the Series 2020C-R2 Refunding Fiduciary in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Series 2020C-R2 Refunding Bonds shall designate, in accordance with the provisions hereof.

(D) Notwithstanding any other provision of this Series 2020C-R2 Refunding Supplemental Bond Resolution to the contrary, so long as any Series 2020C-R2 Refunding Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, and interest on, such Series 2020C-R2 Refunding Bond and all notices with respect to such Series 2020C-R2 Refunding Bond shall be made and given, respectively, to DTC as
provided in the representation letter of the I-Bank and the Series 2020C-R2 Refunding Fiduciary addressed to DTC with respect to the Series 2020C-R2 Refunding Bonds.

(E) In connection with any notice or other communication to be provided to Bondholders pursuant to this Series 2020C-R2 Refunding Supplemental Bond Resolution by the I-Bank or the Series 2020C-R2 Refunding Fiduciary with respect to any consent or other action to be taken by Bondholders, the I-Bank or the Series 2020C-R2 Refunding Fiduciary, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.
ARTICLE III

CREATION AND ESTABLISHMENT OF ESCROW FUNDS
AND SEPARATE ACCOUNTS WITHIN ALL FUNDS;
APPLICATION OF SERIES 2020C-R2 REFUNDING
BOND PROCEEDS AND TAX CERTIFICATE

SECTION 3.01. Creation of Escrow Funds, Separate Accounts within all Funds and Certain Other Accounts and Funds.

(A) (i) The I-Bank hereby creates, and the 2012B Trustee shall establish, for the sole benefit of the Holders of the Series 2012B Bonds to be Refunded in accordance with the terms of the Defeased Series 2012B Bond Escrow Deposit Agreement, a special and irrevocable escrow fund designated “Defeased Environmental Infrastructure Bonds, Series 2012B Escrow Fund (2020)” (the “Defeased Series 2012B Bond Escrow Fund”).


(B) (i) Section 5.01 of the Original 2012B Bond Resolution is hereby amended and supplemented as follows: The I-Bank hereby directs the 2012B Trustee to establish separate subaccounts for the 2012B Allocable Portion within each Account created under the Series 2012B Bond Resolution that is held by the 2012B Trustee. The I-Bank hereby further directs the 2012B Trustee to establish separate Accounts for the 2012B Allocable Portion within each Fund created under the Series 2012B Bond Resolution that is held by the 2012B Trustee. The I-Bank is hereby authorized and directed to establish separate subaccounts within each Account created under the Series 2012B Bond Resolution that is held by the I-Bank. The I-Bank is hereby authorized and directed to establish separate Accounts within each Fund created under the Series 2012B Bond Resolution that is held by the I-Bank.

(ii) Section 5.01 of the Original 2012C Bond Resolution is hereby amended and supplemented as follows: The I-Bank hereby directs the 2012C Trustee to establish separate subaccounts for the 2012C Allocable Portion within each Account created under the Series 2012C Bond Resolution that is held by the 2012C Trustee. The I-Bank hereby further directs the 2012C Trustee to establish separate Accounts for the 2012C Allocable Portion within each Fund created under the Series 2012C Bond Resolution that is held by the 2012C Trustee. The I-Bank is hereby authorized and directed to establish separate subaccounts within each Account created under the Series 2012C Bond Resolution that is held by the I-Bank. The I-Bank is hereby authorized and directed to establish separate Accounts within each Fund created under the Series 2012C Bond Resolution that is held by the I-Bank.

SECTION 3.02. Amendment of Section 5.05 of the Original Bond Resolutions; Amendment of Section 5.07(1) of the Original Bond Resolutions.
(A) Section 5.05 of the Original Series 2012B Bond Resolution is hereby amended and supplemented to include at the end thereof the following paragraph 6:

“6. On each Interest Payment Date, after giving effect to the transfers set forth in paragraphs (1) through (4) of this Section 5.05, the Trustee shall transfer from amounts in the SRF Account and the non-SRF Account of the Revenue Fund to the Administrative Fee Account an amount equal to the aggregate of the Withheld Savings, if any, with respect to such Interest Payment Date, as set forth on the Savings Credit Schedule, which Withheld Savings, if any, shall be applied by the I-Bank in accordance with the provisions of Section 5.03(4) hereof.”

(B) Section 5.05 of the Original Series 2012C Bond Resolution is hereby amended and supplemented to include at the end thereof the following paragraph 6:

“6. On each Interest Payment Date, after giving effect to the transfers set forth in paragraphs (1) through (4) of this Section 5.05, the Trustee shall transfer from amounts in the SRF Account and the non-SRF Account of the Revenue Fund to the Administrative Fee Account an amount equal to the aggregate of the Withheld Savings, if any, with respect to such Interest Payment Date, as set forth on the Savings Credit Schedule, which Withheld Savings, if any, shall be applied by the I-Bank in accordance with the provisions of Section 5.03(4) hereof.”

(C) Section 5.07(1) of the Original 2012B Bond Resolution is hereby amended and restated in its entirety as follows:

“Whenever a Borrower shall notify the I-Bank or the Trustee in writing, or whenever the Trust or Trustee shall determine, that a Borrower is deficient in the payment of a Trust Bond Loan Repayment and that such deficiency cannot be satisfied from other Loan Repayments, State Loan Repayments or other amounts payable thereunder that have been transferred to the Revenue Fund or the Debt Service Fund and that such deficiency cannot be satisfied from amounts payable by the Master Program Trustee from amounts on deposit in the Master Program Trust Account (and all Subaccounts as defined therein) in accordance with the terms of the Master Program Trust Agreement, the Trustee shall transfer from the SRF Account or non-SRF Account, as applicable, of the Debt Service Reserve Fund on the Interest Payment Date or maturity date or Sinking Fund Installment due date, as the case may be, the amount of such deficiency to the appropriate account in the Debt Service Fund; provided, however, that amounts transferred from the Debt Service Reserve Fund to the Debt Service Fund pursuant to this Section 5.07(1) shall be applied only to the payment of interest, principal and/or Sinking Fund Installments, as the case may be, with respect to the Series 2012B Bonds and any Refunding Bonds with respect to which the portion of the Debt Service Reserve Requirement calculated pursuant to the definition thereof shall be greater than $0.00; and further provided, however, that the Trustee may only transfer such amount which, when added to the difference between (i) all prior transfers made from the Debt Service Reserve Fund as a result of deficient Trust Bond Loan Repayments by said
Borrower and (ii) all repayments made by, or on behalf of, the Borrower pursuant to the second paragraph of Section 3.04 of the Applicable Loan Agreement, does not exceed said Borrower’s pro rata share of the Debt Service Reserve Fund. A Borrower’s pro rata share of the Debt Service Reserve Fund shall be an amount equal to the product of: (a) the Debt Service Reserve Requirement and (b) said Borrower’s Allocable Share as set forth on Schedule I attached hereto.”

(D) Section 5.07(1) of the Original 2012C Bond Resolution is hereby amended and restated in its entirety as follows:

“Whenever a Borrower shall notify the I-Bank or the Trustee in writing, or whenever the Trust or Trustee shall determine, that a Borrower is deficient in the payment of a Trust Bond Loan Repayment and that such deficiency cannot be satisfied from other Loan Repayments, State Loan Repayments or other amounts payable thereunder that have been transferred to the Revenue Fund or the Debt Service Fund and that such deficiency cannot be satisfied from amounts payable by the Master Program Trustee from amounts on deposit in the Master Program Trust Account (and all Subaccounts as defined therein) in accordance with the terms of the Master Program Trust Agreement, the Trustee shall transfer from the SRF Account or non-SRF Account, as applicable, of the Debt Service Reserve Fund on the Interest Payment Date or maturity date or Sinking Fund Installment due date, as the case may be, the amount of such deficiency to the appropriate account in the Debt Service Fund; provided, however, that amounts transferred from the Debt Service Reserve Fund to the Debt Service Fund pursuant to this Section 5.07(1) shall be applied only to the payment of interest, principal and/or Sinking Fund Installments, as the case may be, with respect to the Series 2012C Bonds and any Refunding Bonds with respect to which the portion of the Debt Service Reserve Requirement calculated pursuant to the definition thereof shall be greater than $0.00; and further provided, however, that the Trustee may only transfer such amount which, when added to the difference between (i) all prior transfers made from the Debt Service Reserve Fund as a result of deficient Trust Bond Loan Repayments by said Borrower and (ii) all repayments made by, or on behalf of, the Borrower pursuant to the second paragraph of Section 3.04 of the Applicable Loan Agreement, does not exceed said Borrower’s pro rata share of the Debt Service Reserve Fund. A Borrower’s pro rata share of the Debt Service Reserve Fund shall be an amount equal to the product of: (a) the Debt Service Reserve Requirement and (b) said Borrower’s Allocable Share as set forth on Schedule I attached hereto.”

SECTION 3.03. Application of the Proceeds of the Series 2020C-R2 Refunding Bonds and Other Moneys. The proceeds of the Series 2020C-R2 Refunding Bonds of $[\_] (par of $[\_], plus original issue premium of $[\_], less underwriters’ discount of $[\_]), shall be received by the Series 2020C-R2 Refunding Fiduciary, and shall be paid to the respective Series Trustees in accordance with the respective Allocable Portions, in the amounts set forth in a Certificate of an Authorized Officer of the I-Bank. Each of the Series Trustees shall deposit or transfer such respective amounts, together with such amounts, if any, on deposit in the respective Funds and Accounts under the respective Series Bond Resolutions as set forth in a Certificate of an Authorized Officer of the I-Bank, into the Funds and Accounts as set forth in a Certificate of
an Authorized Officer of the I-Bank, to effect the 2020 Refunding of the Bonds to be Refunded; provided that the origin of moneys for such Funds shall comply in all respects with the respective Original Bond Resolutions, as amended and supplemented.

SECTION 3.04. Federally Taxable Status of Series 2020C-R2 Refunding Bonds. Interest on the Series 2020C-R2 Refunding Bonds is included in the gross income of the owners thereof for Federal income tax purposes. Therefore, the provisions of the Original Bond Resolutions, as applicable, relating to the exclusion from gross income for federal income tax purposes of the interest on the Bonds issued thereunder, respectively, shall not be applicable to the Series 2020C-R2 Refunding Bonds or any Allocable Portion thereof.
ARTICLE IV

APPOINTMENT OF SERIES 2020C-R2 REFUNDING FIDUCIARY, SERIES TRUSTEES, SERIES PAYING AGENTS AND DEFEASED BOND ESCROW AGENTS

SECTION 4.01. Appointment of Series 2020C-R2 Refunding Fiduciary. U.S. Bank National Association, Edison, New Jersey, is hereby appointed Series 2020C-R2 Refunding Fiduciary for the Holders of the Series 2020C-R2 Refunding Bonds. The Series 2020C-R2 Refunding Fiduciary shall signify its acceptance of the duties and obligations imposed upon it by the terms of this Series 2020C-R2 Refunding Supplemental Bond Resolution by executing the certificate of authentication endorsed upon the Series 2020C-R2 Refunding Bonds upon the original issuance thereof. The resignation or removal of, and the appointment of a successor to, the Series 2020C-R2 Refunding Fiduciary and all other provisions relating thereto shall be subject to the relevant provisions relating to the Series Trustees, as set forth in Article X or otherwise of each of the Original Bond Resolutions, as amended and supplemented, the provisions of which are hereby incorporated herein and applied to the Series 2020C-R2 Refunding Fiduciary. The Series 2020C-R2 Refunding Fiduciary shall be entitled to all of the rights, indemnities and protections to which the respective Series Trustees are entitled, as set forth in Article X of each of the Original Bonds Resolutions, as amended and supplemented. Nothing contained in any of the Original Bond Resolutions or this Series 2020C-R2 Refunding Supplemental Bond Resolution shall preclude or prohibit any banking corporation or banking association from simultaneously serving as Series 2020C-R2 Refunding Fiduciary and as Series Trustee pursuant to one or both of the Series Bond Resolutions.

SECTION 4.02. Appointment of Series Trustees.

(A) U.S. Bank National Association, Edison, New Jersey, is hereby appointed 2012B Trustee for the 2012B Allocable Portion. The 2012B Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2012B Bond Resolution by executing and delivering a written acceptance thereof to the I-Bank. The replacement of the 2012B Trustee and all other provisions relating thereto shall be subject to the relevant provisions set forth in Article X or otherwise of the Original 2012B Bond Resolution, as amended and supplemented.

(B) U.S. Bank National Association, Edison, New Jersey, is hereby appointed 2012C Trustee for the 2012C Allocable Portion. The 2012C Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2012C Bond Resolution by executing and delivering a written acceptance thereof to the I-Bank. The replacement of the 2012C Trustee and all other provisions relating thereto shall be subject to the relevant provisions set forth in Article X or otherwise of the Original 2012C Bond Resolution, as amended and supplemented.

SECTION 4.03. Appointment of Series Paying Agents.
(A) U.S. Bank National Association, Edison, New Jersey, is hereby appointed 2012B Paying Agent for the 2012B Allocable Portion. The 2012B Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2012B Bond Resolution by executing and delivering a written acceptance thereof to the I-Bank and to the 2012B Trustee. The 2012B Trustee may be appointed and may serve as 2012B Paying Agent for the 2012B Allocable Portion.

(B) U.S. Bank National Association, Edison, New Jersey, is hereby appointed 2012C Paying Agent for the 2012C Allocable Portion. The 2012C Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2012C Bond Resolution by executing and delivering a written acceptance thereof to the I-Bank and to the 2012C Trustee. The 2012C Trustee may be appointed and may serve as 2012C Paying Agent for the 2012C Allocable Portion.

SECTION 4.04. Appointment of Defeased Bond Escrow Agents.

(A) U.S. Bank National Association, Edison, New Jersey, is hereby appointed Defeased Series 2012B Bond Escrow Agent for the Series 2012B Bonds to be Refunded. The Defeased Series 2012B Bond Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Defeased Series 2012B Bond Escrow Deposit Agreement by executing and delivering same.

(B) U.S. Bank National Association, Edison, New Jersey, is hereby appointed Defeased Series 2012C Bond Escrow Agent for the Series 2012C Bonds to be Refunded. The Defeased Series 2012C Bond Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Defeased Series 2012C Bond Escrow Deposit Agreement by executing and delivering same.
ARTICLE V

DEFEASED BOND ESCROW DEPOSIT AGREEMENTS,
SERIES 2020C-R2 CONTINUING DISCLOSURE AGREEMENTS,
OFFICIAL STATEMENT AND SALE OF THE SERIES 2020C-R2 REFUNDING
BONDS

SECTION 5.01. Deceased Bond Escrow Deposit Agreement and Series 2020C-R2
Continuing Disclosure Agreements.

(A) The I-Bank hereby severally authorizes any Authorized Officer to execute, deliver
and perform the duties and obligations of the I-Bank pursuant to the terms of the Deceased Series
2012B Bond Escrow Deposit Agreement, the Deceased Series 2012C Bond Escrow Deposit
Agreement and the Series 2020C-R2 Continuing Disclosure Agreements, each in the form
attached hereto as Exhibit A, with such changes thereto as shall be within the constraints set
forth herein and as shall be determined exclusively by the Authorized Officer, after consultation
with Bond Counsel and the Office of the Attorney General of the State, which determination
shall be conclusively evidenced by the Authorized Officer’s execution and delivery thereof.
Such Authorized Officer and any other Authorized Officer shall also take all other actions and
execute any other documents, agreements, certificates or other instruments deemed necessary,
convenient or desirable by such Authorized Officer or any such other Authorized Officer to
consummate the transactions contemplated hereby and by such Deceased Series 2012B Bond
Escrow Deposit Agreement, Deceased Series 2012C Bond Escrow Deposit Agreement and Series
2020C-R2 Continuing Disclosure Agreements; provided, however, that:

(i) the Deceased Series 2012B Bond Escrow Deposit Agreement shall in any
event conform with all of the requirements for the defeasance of the Series 2012B Bonds to be
Refunded as set forth in the Series 2012B Bond Resolution, particularly Article XII of the
Original 2012B Bond Resolution, as amended and supplemented;

(ii) the Deceased Series 2012C Bond Escrow Deposit Agreement shall in any
event conform with all of the requirements for the defeasance of the Series 2012C Bonds to be
Refunded as set forth in the Series 2012C Bond Resolution, particularly Article XII of the
Original 2012C Bond Resolution, as amended and supplemented;

(iii) such Series 2020C-R2 Continuing Disclosure Agreements shall otherwise
conform in all material respects to the provisions of this Article V.

(B) (i) The delegation to the Authorized Officers set forth in subsection (A),
above, of this Section 5.01, authorizing such Authorized Officer to take all actions deemed
necessary, convenient or desirable by such Authorized Officer to consummate the transactions
contemplated hereby and by the Deceased Series 2012B Bond Escrow Deposit Agreement shall
include, without limitation, authorization to purchase Investment Securities (including, without
limitation, United States Treasury Obligations – State and Local Government Series issued or
held in book-entry form on the books of the Department of the Treasury of the United States),
such purchase to be undertaken either directly or through the subscription services of
professional advisors to the I-Bank, including, without limitation, the financial advisor to the I-
Bank, in connection with the investment of the Defeased Series 2012B Bond Escrow Fund
established in accordance with the terms of the Defeased Series 2012B Bond Escrow Deposit
Agreement, and such Authorized Officer shall undertake whatever method of acquisition of such
Investment Securities is deemed (i) in compliance with the provisions of the Series 2012B Bond
Resolution and (ii) applicable law, provided that such Authorized Officer has consulted with
Bond Counsel and other applicable professional advisors to the I-Bank.

(ii) The delegation to the Authorized Officers set forth in subsection (A), above, of this Section 5.01, authorizing such Authorized Officer to take all actions deemed necessary, convenient or desirable by such Authorized Officer to consummate the transactions contemplated hereby and by the Defeased Series 2012C Bond Escrow Deposit Agreement shall include, without limitation, authorization to purchase Investment Securities (including, without limitation, United States Treasury Obligations – State and Local Government Series issued or held in book-entry form on the books of the Department of the Treasury of the United States), such purchase to be undertaken either directly or through the subscription services of professional advisors to the I-Bank, including, without limitation, the financial advisor to the I-
Bank, in connection with the investment of the Defeased Series 2012C Bond Escrow Fund
established in accordance with the terms of the Defeased Series 2012C Bond Escrow Deposit
Agreement, and such Authorized Officer shall undertake whatever method of acquisition of such
Investment Securities is deemed (i) in compliance with the provisions of the Series 2012C Bond
Resolution and (ii) applicable law, provided that such Authorized Officer has consulted with
Bond Counsel and other applicable professional advisors to the I-Bank.

SECTION 5.02. Appointment of Verification Agent. The Authorized Officers are
hereby severally authorized and directed, in consultation with Bond Counsel and the Office of
the Attorney General of the State and other appropriate professional advisors to the I-Bank, to
secure the appointment of an independent nationally recognized certified public accountant,
which shall, in accordance with the requirements of Section 2.04(2)(e) of each of the Original Bond
Resolutions, as amended and supplemented, prepare and deliver to the I-Bank and the
applicable Trustee one or more verification reports with respect to the matters set forth in
Sections 2.04(2)(c), 2.04(2)(d) and, if applicable, 2.04(2)(f) of each of the Original Bond
Resolutions, as amended and supplemented.

SECTION 5.03. Preliminary Official Statement.

(A) The Authorized Officers are hereby severally authorized and directed, subsequent
to (i) the satisfaction in full of the I-Bank Conditions Precedent and (ii) the satisfaction in full of
all other legal conditions precedent to the delivery of the preliminary official statement relating
to the Series 2020C-R2 Refunding Bonds (the “Preliminary Official Statement) by the I-Bank, as
such satisfaction shall be determined by the Authorized Officer in consultation with Bond
Counsel and the Office of the Attorney General of the State, to “deem final” the Preliminary
Official Statement in accordance with the provisions of Rule 15c2-12 and deliver the Preliminary
Official Statement in the form and with such provisions as the Authorized Officer, after
consultation with Bond Counsel and the Office of the Attorney General of the State and other
appropriate professional advisors to the I-Bank, deems in his or her sole discretion to be
necessary or desirable for the delivery thereof, which delivery thereof by the Authorized Officer shall conclusively evidence his or her consent to the provisions thereof.

(B) The Authorized Officers are hereby severally authorized and directed to execute any certificate or document, including, without limitation, the Series 2020C-R2 Continuing Disclosure Agreements, and to take such other actions as may be necessary, relating to any statutes, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, that the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State, deems necessary or desirable to effect the issuance, marketing and sale of the Series 2020C-R2 Refunding Bonds, and the transactions contemplated by the Preliminary Official Statement, including, without limitation, Rule 15c2-12.

SECTION 5.04. Official Statement. The Authorized Officers are hereby severally authorized and directed to execute and deliver a final official statement (the “Official Statement”) in substantially similar form to the Preliminary Official Statement, with such changes to reflect the final pricing as set forth in any documents relating to the sale of the Series 2020C-R2 Refunding Bonds and to reflect any other changes required under any applicable securities laws, rules or regulations as set forth in Section 5.03 hereof as the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank, deems in his or her sole discretion to be necessary or desirable to effect the issuance of the Series 2020C-R2 Refunding Bonds and the transactions contemplated by the Official Statement, which delivery thereof by the Authorized Officer shall conclusively evidence his or her consent to the provisions thereof.

SECTION 5.05. Sale of the Series 2020C-R2 Refunding Bonds.

(A) The Authorized Officers are hereby severally authorized and directed to cause to be published and disseminated in connection with the marketing and sale of the Series 2020C-R2 Refunding Bonds a notice of sale with respect to the Series 2020C-R2 Refunding Bonds (the “Notice of Sale”), which Notice of Sale shall set forth, inter alia, the following terms and provisions, which terms and provisions shall be determined by the Authorized Officer after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank: (i) a summary of the terms of the Series 2020C-R2 Refunding Bonds; (ii) the criteria pursuant to which the award of the Series 2020C-R2 Refunding Bonds shall be made by the I-Bank; (iii) the date and time at which proposals for the purchase of the Series 2020C-R2 Refunding Bonds shall be accepted by the I-Bank; and (iv) the method by which the bidders for the purchase of the Series 2020C-R2 Refunding Bonds shall submit their proposals, which proposals shall be submitted to the I-Bank, in compliance with the Notice of Sale, via a written proposal for Series 2020C-R2 Refunding Bonds (the “Proposal for Bonds”).

(B) The Authorized Officers are hereby severally authorized and directed to cause (i) the Notice of Sale and the Proposal for Bonds to be disseminated simultaneously with the dissemination of the Preliminary Official Statement and (ii) a summary of the Notice of Sale to be published in compliance with Section 6(d) of the Act at least once in at least three newspapers published in the State and at least once in a publication carrying municipal bond notices and
devoted primarily to financial news published in the State or in the City of New York, the first summary Notice of Sale to be published at least five (5) days prior to the date established by the Notice of Sale for the sale of the Series 2020C-R2 Refunding Bonds.

(C) On the date and time established therefore in the Notice of Sale, the Proposals for Bonds shall be received and accepted by the Authorized Officer. Upon receipt and acceptance of the Proposals for Bonds, the Authorized Officers are hereby severally authorized and directed to open such Proposals for Bonds and, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank, accept the successful Proposal for Bonds, such successful Proposal for Bonds to be determined based upon compliance with the terms of the Notice of Sale relating to the award of the Series 2020C-R2 Refunding Bonds and after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank.

(D) The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the marketing and sale of the Series 2020C-R2 Refunding Bonds, including, without limitation, such other actions as may be necessary in connection with the conduct of informational investment meetings; provided, however, that in each such instance the Authorized Officers shall comply with the provisions of this Section 5.05 and shall consult with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank with respect thereto.

SECTION 5.06. Attestation. The Secretary and Assistant Secretary of the I-Bank are hereby severally authorized and directed, where deemed necessary, desirable or convenient to effect the 2020C-R2 Refunding of the Bonds to be Refunded in the sole discretion of an Authorized Officer after consultation with Bond Counsel and the Office of the Attorney General of the State, to attest to the execution by any such Authorized Officer of any such documents, instruments or certificates executed by any such Authorized Officer pursuant to this Article V, and to affix the corporate seal of the I-Bank upon any such document, instrument or certificate; provided, however, that the Secretary may not attest to the execution by the Authorized Officer of, or affix the corporate seal of the I-Bank to, any such documents, instruments or certificates in those instances in which such Authorized Officer is the Secretary.

SECTION 5.07. Electronic Dissemination of the Preliminary Official Statement; Electronic Acceptance of Proposals for Bonds; Electronic Dissemination of the Official Statement.

(A) Notwithstanding any provision of this Series 2020C-R2 Refunding Supplemental Bond Resolution to the contrary, the Authorized Officers are hereby severally authorized at their discretion to disseminate the Preliminary Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Preliminary Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of Section 5.03 hereof.
(B) In complying with the provisions of Section 5.05 hereof, the Authorized Officers are hereby severally authorized at their discretion to accept Proposals for Bonds and complete the award of the Series 2020C-R2 Refunding Bonds, pursuant to the terms and provisions of the Notice of Sale, by means of electronic media; provided that, with respect to the selection of the particular electronic media and the implementation of the procedures for the exercise thereof, the Authorized Officer shall consult with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank with respect thereto.

(C) Notwithstanding any provision of this Series 2020C-R2 Refunding Supplemental Bond Resolution to the contrary, the Authorized Officers are hereby severally authorized at their discretion to disseminate the Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of Section 5.04 hereof.
ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Certificate of an Authorized Officer Amending and Supplementing this Series 2020C-R2 Refunding Supplemental Bond Resolution. Notwithstanding any other provision herein to the contrary, the Series 2020C-R2 Refunding Bonds shall not be issued until the Series 2020C-R2 Refunding Fiduciary and each Series Trustee receive one or more Certificates of an Authorized Officer setting forth (i) the aggregate principal amount of Series 2020C-R2 Refunding Bonds to be issued and the aggregate principal amount of each Allocable Portion, (ii) as applicable, the interest rates, principal amounts maturing, dated date, term of capitalized interest, redemption premiums, sinking fund installments, sinking fund payment dates, other redemption terms applicable to the Series 2020C-R2 Refunding Bonds and each Allocable Portion, and the amounts and sources of funds to be deposited in each of the Defeased Bond Escrow Funds, (iii) any changes to any of the Series Bond Resolutions, as amended and supplemented, (1) required by any Rating Agency rating the Series 2020C-R2 Refunding Bonds, or (2) reasonably requested by any of the Series Trustees or the Series 2020C-R2 Refunding Fiduciary in order to ensure that the Series Trustees and the Series 2020C-R2 Refunding Fiduciary are able to fulfill their respective duties and responsibilities pursuant to the respective Series Bond Resolutions and this Series 2020C-R2 Refunding Supplemental Bond Resolution, (iv) that the amount of 2012B Savings is equal to or greater than three percent (3%) of the principal amount of the Series 2012B Bonds to be Refunded on a net present value basis, (v) that the amount of 2012C Savings is equal to or greater than three percent (3%) of the principal amount of the Series 2012C Bonds to be Refunded on a net present value basis, (vi) the Savings Credit Schedules and the Withheld Savings, if any, relating to each respective Borrower, (vii) the Disclosure Borrowers, if any, as determined pursuant to the criteria set forth in Section 6.05 hereof, and (viii) subject to the parameters set forth in the definition of Series 2020C-R2 Refunding Bonds herein and upon the advice of Bond Counsel and the Office of the Attorney General of the State and I-Bank’s professional advisors, the addition to, deletion from or modification of any financial term or any term remaining in blanks or brackets in this Series 2020C-R2 Refunding Supplemental Bond Resolution, as originally adopted on March 20, 2020, deemed necessary, desirable or convenient by any such Authorized Officer to sell the Series 2020C-R2 Refunding Bonds at the lowest cost and with the greatest Savings to effect the 2020 Refunding of the Bonds to be Refunded, the contents of which Certificate may be incorporated in this Series 2020C-R2 Refunding Supplemental Bond Resolution without compliance with any other provision of either of the Original Bond Resolutions, including, without limitation, Article XI of each of the Original Bond Resolutions, as amended and supplemented. The Authorized Officer executing any such Certificate shall report the substance of such Certificate to the members of the I-Bank at their next public meeting.

SECTION 6.02. Series 2020C-R2 Refunding Supplemental Bond Resolution to Govern. To the extent that the provisions of this Series 2020C-R2 Refunding Supplemental Bond Resolution are inconsistent with the provisions of either of the Original Bond Resolutions, the provisions of this Series 2020C-R2 Refunding Supplemental Bond Resolution shall control.
SECTION 6.03. Incidental Action. The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order (i) to effectuate the sale and issuance of the Series 2020C-R2 Refunding Bonds and (ii) to effect the 2020 Refunding of the Bonds to be Refunded.

SECTION 6.04. Series 2020C-R2 Refunding Supplemental Bond Resolution Amendments. This Series 2020C-R2 Refunding Supplemental Bond Resolution may be amended and supplemented prior to the issuance of the Series 2020C-R2 Refunding Bonds by a Certificate of an Authorized Officer contemplated by Section 6.01 hereof without any further compliance with the provisions for adoption of a supplemental resolution under either of the Original Bond Resolutions, as amended and supplemented, including, without limitation, Article XI thereof. All other amendments and supplements hereto shall be effected in accordance with the terms of each of the Original Bond Resolutions relating to the amendment or supplement to a Supplemental Resolution.

SECTION 6.05. Continuing Disclosure. Prior to the issuance of the Series 2020C-R2 Refunding Bonds, the I-Bank, pursuant to the sole discretion of an Authorized Officer of the I-Bank, in consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the I-Bank, shall determine if any Borrower is a material "obligated person" within the meaning and for the purposes of Rule 15c2-12, based upon the following criteria hereby established as the means of satisfying the meaning and purposes of Rule 15c2-12: Borrowers shall be considered to be material "obligated persons" if their remaining Fund Loan repayments in all Coverage Providing Financing Programs (unless defined in this Section 6.05, capitalized terms not defined in this Series 2020C-R2 Refunding Supplemental Bond Resolution and used in this Section 6.05 shall have the respective meanings ascribed to such terms in the Master Program Trust Agreement), when aggregated with such Borrower’s remaining I-Bank Loan repayments, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs and (ii) the aggregate of all remaining I-Bank Loan repayments from all Borrowers.

To the extent any Borrowers that have been determined to be material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 have entered into Service Agreements with Underlying Government Units and if any such Underlying Government Units have entered into Service Agreements with Indirect Underlying Government Units (as such terms are defined in the I-Bank Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materially secure the remaining Fund Loan repayments and the I-Bank Loan repayments of any such Borrowers to such extent that such annual and indirect annual charges would in and of themselves exceed the ten percent (10%) test described above, any such Underlying Government Unit and Indirect Underlying Government Unit shall also be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12.

Any Borrower determined to be a material “obligated person” based upon the criteria set forth herein shall be required to enter into a Series 2020C-R2 Borrower Continuing Disclosure
Agreement with respect to the obligation of such Borrower and any Underlying Government Unit or Indirect Underlying Government Unit, if applicable, with a term as specified therein, by and among such Borrower, the I-Bank and the Trustee, substantially in the form attached hereto as Exhibit A, with such changes therein as shall be approved by the I-Bank as evidenced by the execution thereof by an Authorized Officer of the I-Bank.

The I-Bank hereby determines that it is not an "obligated person". The I-Bank hereby determines that each of the Programs is an “obligated person”. Accordingly, the I-Bank hereby covenants to provide notice of Bond Disclosure Events (as defined in the Series 2020C-R2 I-Bank Continuing Disclosure Agreement), if material, with respect to the Series 2020C-R2 Refunding Bonds to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC or the Municipal Securities Rulemaking Board and the State Information Depository, if any, recognized by the SEC.

Notwithstanding any provision to the contrary in Article XI of any of the Original Bond Resolutions, as amended and supplemented, the I-Bank may amend or supplement this Section 6.05 to comply with any amendment, supplement, modification, termination, interpretation or other change to Rule 15c2-12.

SECTION 6.06. Effective Date. This Series 2020C-R2 Refunding Supplemental Bond Resolution shall take effect in accordance with paragraphs i and j of Section 4 of Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented, which provisions include, without limitation, the requirement that the Governor and Treasurer of the State approve this Series 2020C-R2 Refunding Supplemental Bond Resolution.
EXHIBIT A

DEFEASED BOND ESCROW DEPOSIT AGREEMENT
AND SERIES 2020C-R2 CONTINUING DISCLOSURE AGREEMENTS

See Closing Items Nos. _____ and ____ to
Index of Closing Documents
EXHIBIT B

FORM OF SERIES 2020C-R2 REFUNDING BONDS
RESOLUTION NO. 20 - \( \text{xx} \)

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE AUTHORIZING THE AWARD OF A CONTRACT FOR TRUSTEE/ESCROW AGENT SERVICES FOR THE I-BANK FOR THE SFY2021 AND SFY2022 FINANCING PROGRAMS

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

WHEREAS, at its January 16, 2020 meeting, the Board of Directors of the I-Bank ("Board") approved Resolution No. 20-03 authorizing the Executive Director to prepare and distribute a Request for Proposals ("RFP") for the appointment of a Trustee and Escrow Agent for the State Fiscal Year ("SFY") 2021 and SFY2022 Financing Programs; and

WHEREAS, the I-Bank distributed a Request for Proposals for the appointment of a Trustee/Escrow Agent for the SFY2021 and SFY2022 Financing Programs in accordance with the provisions of Executive Order No. 26, and I-Bank Policy No. 4.00 Purchase of Goods and Services; and

WHEREAS, the RFP solicited proposals for the purpose of prequalifying one or more Firms to participate in the Pool and enumerated the criteria and associated weights to be applied in the prequalification determination process; and

WHEREAS, on March 5, 2020, the I-Bank received two proposals; and

WHEREAS, the Executive Director of the I-Bank appointed an Evaluation Committee ("Committee") consisting of three I-Bank staff members to individually rank the proposals; and

WHEREAS, the Committee members separately reviewed and ranked the proposals; and

WHEREAS, Committee members’ ranks were tabulated, negotiations conducted with the highest ranked firms, and the Committee recommended that the Contract for Trustee/Escrow Agent Services be awarded to \( \text{_____} \); and

NOW THEREFORE BE IT RESOLVED, that the Executive Director is hereby authorized to send a letter confirming the appointment of \( \text{_____} \) as Trustee/Escrow Agent, which letter will also state that the appointment be for a period of the beginning of escrow closing for SFY2021 through the SFY2022 financing program year with an option to extend two years upon approval by the Board and contingent upon the subsequent execution by all parties of an agreement substantially in the form of the agreement authorized by the Attorney General; and

BE IT FURTHER RESOLVED, the Chairperson, Vice-Chairperson, or Secretary of the I-Bank is hereby authorized to execute an agreement, substantially in the form of the agreement authorized by the Attorney General, with \( \text{____} \). The terms and conditions of that agreement shall include but not be limited to:
a. The provision of services as outlined in the I-Bank’s RFP distributed on ___ and the proposal submitted by ___ on ___, 2020;

b. The payment for all services as detailed in the proposal submitted by ___ dated ___, 2020; and

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

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
RESOLUTION NO. 20 - xx
RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
APPROVING THE I-BANK’S AMENDED AND RESTATED CREDIT POLICY

WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”), pursuant to and in accordance with the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (codified at N.J.S.A. 58:11B-1 et seq.), as the same has been, and in the future may from time to time be, amended and supplemented (the “I-Bank Act”), is authorized to make and contract to make loans to project sponsors to finance a portion of the costs of the respective environmental infrastructure system projects thereof, which project sponsors may lawfully undertake or acquire and for which they are authorized by law to borrow funds, subject to such terms and conditions as the I-Bank shall determine to be consistent with the I-Bank Act and the purposes of the I-Bank; and

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

WHEREAS, the Board of Directors of the I-Bank (the “Board”), passed Resolution No. 18-39 on June 18, 2018, wherein it adopted that certain “Resolution Approving an I-Bank Amended and Restated Credit Policy,” (i) to ensure consistency and appropriate management of all credit risk on the part of the I-Bank with respect to all Water Bank and Transportation Bank applicants with respect to the creditworthiness standards; and

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

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

WHEREAS, it is the desire of the Board to amend and restate the Credit Policy, in the form attached hereto as Exhibit A, and made a part hereof, to further enhance the strength of the creditworthiness requirements for the I-Bank Credit Policy for both the NJEIFP and the NJTIFP.

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

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
EXHIBIT A

AMENDED CREDITWORTHINESS POLICY
RESOLUTION NO. 20 - xx
RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
APPROVING SFY2020 OR SFY2021 NJ WATER BANK CONSTRUCTION FINANCING PROGRAM
LOANS TO
JERSEY CITY MUNICIPAL UTILITIES AUTHORITY

WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”), in accordance with (i) the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”) (codified at N.J.S.A. 58:11B-1 et seq.), as the same may from time to time be amended and supplemented (the “Act”), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 et seq.), as the same may from time to time be amended and supplemented (the “Regulations”), is authorized, pursuant to an interim financing program for the New Jersey Water Bank (the “Water Bank Construction Financing Program”), to make loans (each, a “Construction Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Construction Loan 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 terms and provisions of N.J.A.C. 7:22-4.47, 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 Bank Construction Financing Program, provided each of the following conditions is satisfied in full: (i) the Project is listed on the project priority list that has been submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20 or N.J.S.A. 58:11B-20.1 (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 then in effect pursuant to formal adoption by the I-Bank; (iv) the Project has been certified for funding by the I-Bank in accordance with N.J.A.C. 7:22-4.13; (v) the Projects is in the fundable range in the forthcoming funding cycle given the Projects’ rank and the anticipated availability of New Jersey Department of Environmental Protection (the “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 or for a Supplemental Short Term Loan pursuant to N.J.S.A. 58(11B-9(d)); and

WHEREAS, the I-Bank duly adopted Resolution No. 19-09 on February 14, 2019 entitled “Resolution Authorizing the Construction Loan Financing Program for State Fiscal Year 2020” (the “SFY2020 Authorizing Resolution”) to provide funding for the implementation of the Water Bank Construction Financing Program during State Fiscal Year 2020 including the Construction Financing Program (the “2020 Water Bank Construction Loan Program”); and
WHEREAS, the I-Bank duly adopted Resolution No. 20-06 on February 20, 2020 entitled “Resolution of the New Jersey Infrastructure Bank Authorizing the Water Bank Construction Financing Program for State Fiscal Year 2021” (the “SFY2021 Authorizing Resolution”) to provide funding for the implementation of the Water Bank Construction Financing Program during State Fiscal Year 2021 including the Construction Financing Program (the “2021 Water Bank Construction Loan Program”); and

WHEREAS, it is the desire of the Board to authorize Water Bank Construction Loan Closings pursuant to the SFY2020 Water Bank Construction Loan Program for loan closings occurring in SFY2020 and the SFY2021 Water Bank Construction Loan Program for loan closings occurring in SFY2021 (each the “Applicable Construction Loan Program”); and

WHEREAS, pursuant to the terms and definitions of the SFY2020 Authorizing Resolution and SFY2021 Authorizing Resolution (each the “Applicable Authorizing Resolution”), the Authorized Officers are each severally authorized, after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, to approve the participation of a Borrower in the Applicable Construction Loan Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations and the terms of the Applicable Authorizing Resolution; and

WHEREAS, pursuant to Section 3 of the Applicable Authorizing Resolution, any Construction Loan approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to a Borrower as part of the Applicable Construction Loan Program shall not exceed $15 million in principal amount (the “Construction Loan Limitation”) unless a higher principal amount thereof is authorized by official action of the Board; and

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

WHEREAS, Jersey City Municipal Utilities Authority (“JCMUA”) has requested from the I-Bank a construction loan, in anticipation of a long-term loan from each of the I-Bank and the Department, to finance the planning, design and construction of Project No. S340928-24, for Phases 1 and 2 of a sewer rehabilitation project (the “JCMUA CW Project”); and

WHEREAS, JCMUA has requested from the I-Bank a construction loan, in anticipation of a long-term loan from each of the I-Bank and the Department, to finance the planning design and construction of Project No. 0906001-025, for Phase 1 and 2 of a water main replacement project (the “JCMUA DW Project”); and

WHEREAS, pursuant to the JCMUA CW Project construction schedule, Construction Loans not to exceed two years for planning and three full fiscal years for construction will be made, all or a portion of which will be completed prior to the borrower’s receipt of I-Bank and Department
long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in JCMUA’s request for a construction loan in an amount not to exceed $81,500,000; and

WHEREAS, pursuant to the JCUMA DW Project construction schedule, Construction Loans not to exceed two years for planning and three full fiscal years for construction will be made, all or a portion of which will be completed prior to the borrower’s receipt of I-Bank and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in JCMUA’s request for a construction loan in an amount not to exceed $25,100,000; and

WHEREAS, with respect to the Applicable Authorizing Resolutions’ Construction Loan Limitations, any Construction Loan approved by any of the Authorized Officers, following the requisite consultations, and made by the I-Bank to a Borrower as part of the Construction Loan Program shall not exceed $15 million in principal amount, subject to further official action in the form of the adoption of a resolution by the Board of Directors of the I-Bank, the I-Bank now desires, given the facts and circumstances set forth in the recitals hereto, to create as an exception to such limitation of Construction Loans, as part of the 2020 Water Bank Construction Loan Program and the 2021 Water Construction Loan Program, to the aforementioned project sponsor in amount not to exceed the amount stated for the purpose of completing the JCMUA CW Project and the JCMUA DW Project; and

WHEREAS, it is the desire of the I-Bank that, other than the Applicable Authorizing Resolutions’ Construction Loan Limitations described in the immediately preceding recital, the Borrower shall comply with (i) all other requirements of the Applicable Authorizing Resolutions, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

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

Section 1. Notwithstanding the Applicable Authorizing Resolutions’ Construction Loan Limitations providing that all Construction Loans approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to Borrowers as part of the Applicable Construction Loan Program, shall not exceed $15 million in principal amount, the Board of Directors of the I-Bank, given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to the Construction Loan Limitations, Construction Loans, as part of the SFY2020 Water Bank Construction Loan Program or the SFY2021 Water Construction Loan Program, to JCMUA for the stated projects in an amount not to exceed the amount stated for the purpose of completing the projects.

<table>
<thead>
<tr>
<th>Project Sponsor</th>
<th>Project #</th>
<th>Description</th>
<th>Total Authorized Loan Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jersey City Municipal Utilities Authority</td>
<td>S340928-24</td>
<td>Phase 1 &amp; 2 Sewer Rehabilitation</td>
<td>$81,500,000</td>
</tr>
</tbody>
</table>
Section 2. Notwithstanding the stated loan amounts of $81,500,000 and $25,100,000 to JCMUA, the Applicable Construction Loan Program funding commitment for the loan shall be limited to the operable segments certified, in amounts set forth in the Department’s allowable cost determination for each such operable segment, and such funding commitment shall arise at the time of loan closing of the first such operable segment, and upon the NJDEP’s allowable cost determination for each subsequent operable segment certified thereafter, recognizing that the terms and conditions of the long-term New Jersey Environmental Infrastructure Financing Program loans for each said project shall reflect the terms and conditions of the financing program year in which construction is certified.

Section 3. Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loans made to the aforementioned Borrower as part of the Applicable Construction Loan Program shall comply fully with (i) each of the terms, provisions and conditions precedent set forth in the SFY2020 and SFY2021 Authorizing Resolutions, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

Section 4. The Secretary of the I-Bank is hereby deemed an Authorized Officer as defined in Section 2 of the SFY2020 Authorizing Resolution and the SFY2021 Authorizing Resolution.

Section 5. 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 effect the transactions contemplated hereby.

Section 6. 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:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
RESOLUTION NO. 20-xx

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
AUTHORIZING THE PROCUREMENT OF INFORMATION TECHNOLOGY BUSINESS CONTINUITY HARDWARE, SOFTWARE, AND INTEGRATION SERVICES

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

WHEREAS, the Procurement Policy of the I-Bank requires the Board of Directors of the I-Bank (the “Board”) to approve contracts above the State threshold of $17,500 prior to the issuance of intent to award; and

WHEREAS, the I-Bank’s Procurement Policy and Local Public Contracts Law, N.J.S.A. 40A:11-5, provide exceptions to public advertising and the procurement process; and

WHEREAS, the State of New Jersey has entered into State Contract No. ??????, Agreement No. ?????????, with CDW for certain hardware, software, and professional services; and

WHEREAS, the Executive Director of the I-Bank executed a certification invoking the exception to public advertising and procurement process pursuant to Exhibit 1 of the I-Bank’s Procurement Policy; and

WHEREAS, it is the desire of the I-Bank to enter into contracts for new firewalls, switching system and core network upgrades, and integration services.

NOW, THEREFORE, BE IT RESOLVED by the Board that the Board hereby authorizes the Executive Director to send a letter to CDW expressing the I-Bank’s intent to award said firm contracts for the procurement of new firewalls and core network upgrade hardware and software, and professional integration services contingent upon the subsequent execution by all parties of an agreement substantially in the form of the agreement authorized by the Attorney General; and

BE IT FURTHER RESOLVED that the Executive Director of the I-Bank is hereby authorized to execute agreements, substantially in the form of the agreement authorized by the Attorney General, with CDW. The terms and conditions of the agreements shall include but not be limited to such term and conditions as may be deemed necessary and appropriate by the Executive Director.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
RESOLUTION NO. 20 - xx

EXECUTIVE SESSION

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

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

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions: