



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

Robert A. Briant, Jr., **Chairperson**
Mark Longo, **Vice Chairperson**
Jack Kocsis, Jr., **Treasurer**
James McManus, Jr., **Secretary**
Elizabeth Maher Muoio, **State Treasurer**
Shawn LaTourette, **DEP Commissioner**
Diane Gutierrez-Scaccetti, **DOT Commissioner**
Lt. Governor, Sheila Y. Oliver, **DCA Commissioner**

David E. Zimmer, **Executive Director**

March 1, 2023

PUBLIC NOTICE

In accordance with N.J.S.A 10:4-18 of the Open Public Meetings Law, public notice is hereby given that the New Jersey Infrastructure Bank (“I-Bank”) Board of Directors will hold a public meeting on Thursday March 9, 2023. **The meeting will be held in the Board Room at the I-Bank’s offices, at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey and commence at 10:00 am. Participants will also be able to attend remotely via webinar. REGISTRATION IS REQUIRED TO OBTAIN THE MEETING LINK** and is available up to and throughout the meeting. Pre-registration is encouraged.

This notice is filed in accordance with the “Open Public Meetings Act,” L.1975, c.231, as amended.

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

1. **Call to Order – Chairperson**
2. **Open Public Meetings Act Statement**
3. **Roll Call**
- 4.* **Approval of the Minutes of the February 9, 2023 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) (M. Roslon)
 - 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 2023 Treasurer’s Report; (C. Bruther)
 - B.* Discussion and Approval of a Resolution Authorizing the Award of a Contract for Transportation Bank Custodial Banking Services; (K. Gaskill)
 - C.* Discussion and Approval of a Resolution Authorizing the Extension of the Water Bank Custodial Banking Services Contract; **and** (K. Gaskill)
 - D.* Discussion and Approval of a Resolution Authorizing the Extension of the Transportation Bank Financial Advisor Services Contract. (L. Kaltman)
- 9.* **Executive Session:**

*ACTION ITEMS

Please note these are proposed agendas and the New Jersey Infrastructure Bank may consider and act on such other business, which may come before it at these public meetings. In addition, the New Jersey Infrastructure Bank may not act upon the items listed in the above-proposed agenda in its discretion.



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

Robert A. Briant, Jr., Chairperson
Mark Longo, Vice Chairperson
Jack Kocsis, Jr., Treasurer
James McManus, Jr, Secretary
Elizabeth Maher Muoio, State Treasurer
Shawn LaTourette, DEP Commissioner
Diane Gutierrez-Scaccetti, DOT Commissioner
Lt. Governor, Sheila Y. Oliver, DCA Commissioner
David E. Zimmer, Executive Director

February 9, 2023

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 9, 2023 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,

A handwritten signature in black ink that reads "David E. Zimmer".

David E. Zimmer, CFA
Assistant Secretary

Enclosure

cc: Honorable Nicholas P. Scutari, President of the Senate
Honorable Craig Coughlin, Speaker of the General Assembly



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

Robert A. Briant, Jr., **Chairperson**
Mark Longo, **Vice Chairperson**
Jack Kocsis, Jr., **Treasurer**
James McManus, Jr., **Secretary**
Elizabeth Maher Muoio, **State Treasurer**
Shawn LaTourette, **DEP Commissioner**
Diane Gutierrez-Scaccetti, **DOT Commissioner**
Lt. Governor, Sheila Y. Oliver, **DCA Commissioner**
David E. Zimmer, **Executive Director**

2/9/2023

NEW JERSEY INFRASTRUCTURE BANK

MINUTES OF THE BOARD OF TRUSTEES MEETING

Thursday, February 9, 2023

1. CALL TO ORDER:

A meeting of the New Jersey Infrastructure Bank was convened on Thursday, February 9, 2023, in the conference room of 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey, and via GoToWebinar. Chairperson Briant called the meeting to order at 10:00 am.

2. OPEN PUBLIC MEETING ACT STATEMENT:

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

3. ROLL CALL:

Executive Director Zimmer conducted a roll call to which Mr. Briant, Mr. Longo, Mr. Kocsis, Mr. McManus, Mr. Hauch, Mr. Russo, Mr. Moore, and Mr. Viavattine all responded affirmatively.

DIRECTORS

Robert Briant, Chairperson
Mark Longo, Vice-Chairperson*
Jack Kocsis, Jr., Treasurer
James McManus, Jr., Secretary*
Paul Hauch
(for DEP Commissioner Shawn LaTourette)
Michael Russo
(for DOT Commissioner Diane Gutierrez-Scaccetti)
David Moore*
(for State Treasurer Elizabeth M. Muoio)
Samuel Viavattine*
(for DCA Commissioner/Lt. Governor Sheila Y. Oliver)
(* Participated electronically)

OTHERS

David E. Zimmer, Executive Director
Judy Karp, Assistant Director/Legal and Compliance Officer
Lauren Kaltman, Chief Financial Officer
Robert Fernandez, Chief Operating Officer Transportation
Christopher Bruther, Comptroller
Charles Jenkins, DEP Municipal Finance & Construction Elem
Robert Davidow, Governor's Authority Unit
Victoria Nilsson, Deputy Attorney General
Richard Nolan, McCarter & English LLP
Dorit Kressel, Chiesa Shahinian & Giantomasi
Geoff Stewart, PFM Financial Advisors*

4. APPROVAL OF THE MINUTES:

Chairperson Briant opened the discussion of the minutes of the I-Bank's Board meeting held Thursday, January 12, 2023.

There were no comments or questions related to the minutes from Thursday, January 12, 2023. Chairperson Briant requested a motion for approval.

Mr. Kocsis moved for the approval of the minutes. Mr. Russo seconded the motion.

Nancy Collazo conducted a roll call. The motion was passed with all eight members voting in favor of the motion.

5. ANNOUNCEMENTS:

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

- On **February 8, 2023**; Executive Director Zimmer and Chief Financial Officer Kaltman participated in a call with Financial Advisors Geoffrey Stewart and Chris Lover of PFM to discuss financing options available under the Inflation Reduction Act regarding alternative energy projects for MCUA;
- On **February 2, 2023**; Executive Director Zimmer and Chief Operating Officer Rolon attended a meeting with Christopher Testa of NJOEM regarding the BRIC application initiative at the I-Bank's office;
- On **January 27, 2023**; Executive Director Zimmer, Chief Operating Officer Rolon and Operations Assistant Notte participated in a call with representatives of the Deptford Township MUA regarding project finance;
- On **January 24, 25, and 26, 2023**; Executive Director Zimmer participated in US EPA's Environmental Financial Advisory Board (EFAB) in Washington, DC; and
- The next I-Bank Board meeting is scheduled for **March 9, 2023**, at 10:00 am. It will be held at the I-Bank's office and electronic access will be offered to attend remotely.

There were no comments or questions.

6. PUBLIC COMMENTS:

Chairperson Briant invited comments from the public. There were no comments.

7. UNFINISHED BUSINESS:

A. DEP Bureau Chief, Mr. Charles Jenkins reported on the status of the Water Bank project pipeline noting 66 projects received authorization-to-award or certification this fiscal year-to-date totaling \$806.2 million with 38 additional projects pending in both categories totaling \$341.9 million.

There were no comments or questions.

B. Chief Operating Officer Fernandez reported on the status of the Transportation Bank project pipeline noting that three new projects were allocated in January totaling \$12.4 million and one project was deallocated and immediately reallocated with a new scheduled award date. Overall, the program has allocated 20 projects totaling \$82.9 million. The next round of allocations is scheduled to occur on or about April 1, 2023.

There were no comments or questions.

- C. Executive Director Zimmer reported on the Water Bank Construction and SAIL Loan Programs status noting the Water Bank closed one loan and upsized seven loans in January 2023 totaling \$18.8 million. The Program disbursed \$52.9 million of funds to 43 projects in January 2023. The Water Bank has 179 projects with open construction loans totaling \$1.24 billion. The I-Bank has disbursed \$643.3 million to 175 projects or approximately 51.55% of the Water Bank's outstanding short-term loan balance.

Executive Director Zimmer next reported on the Transportation Construction Loan Program status, noting that the Transportation Bank closed no loans and had no disbursement in January 2023. The Transportation Bank has 9 projects with open construction loans totaling \$49.9 million. The I-Bank has disbursed \$21 million to 9 open projects or approximately 42.09% of the Transportation Bank's outstanding short-term loan balance.

There were no comments or questions.

- D. Executive Director Zimmer next reported on outstanding public procurements.
- Pursuant to Resolution No. 21-62, an RFP for 360 Review Services for Trenton Water Works was issued on January 13, 2023. A recommendation would be presented for Board action as Item 8E;
 - Pursuant to Resolution No. 22-74, an RFQ was issued on November 30, 2022 to establish a pool of firms to provide early engagement services to communities needing assistance with understanding program funding options and the application process. A recommendation would be presented for Board action as Item 8F;
 - An RFP was issued on January 18, 2023 for Transportation Bank Custodial Banking Services. A recommendation for Board action is expected at the March Board meeting; and
 - Pursuant to Resolution No. 23-08, an RFP was issued on January 31, 2023 for Water Bank Trustee and Escrow Services. A recommendation for Board action is expected at the April Board meeting.

8. NEW BUSINESS:

- A. Executive Director Zimmer introduced Comptroller Bruther to present Resolution No. 23-12 to accept the November 2022 Treasurer's Report. In December 2022, the I-Bank earned revenues of \$1,647,133 consisting of \$496,930 in administrative fees, \$179,183 in bond issuance receipts, \$296,388 in interest income on Direct Loans, \$279,359 in investment income on cash-on-hand, \$261,940 due to investment income Fair Market Value Adjustment and \$133,333 in TTF State Appropriations for Operations. The I-Bank has earned \$7,309,197 to date, or 128% of the SFY2023 budgeted amount. The I-Bank incurred expenses during the month of December for products and services totaling \$960,048. The I-Bank has incurred expenses to date totaling \$4,313,643 or 80% of the SFY2023 YTD budgeted amount.

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

Mr. Kocsis moved for the approval of the minutes. Mr. Russo seconded the motion.

Nancy Collazo conducted a roll call. The motion was passed with all eight members voting in favor of the motion.

- B. Executive Director Zimmer introduced Assistant Director, Legal & Compliance Officer Karp to present Resolution No. 23-13 authorizing amendments to the I-Bank's By-Laws. Specifically, it permits I-Bank Board meetings to be conducted in person, electronically, or both (i.e. with attendance either in person or by remote access), allows for the Chair, Vice-Chair and Executive Director to execute signatures electronically, adjusts the dollar amount of disbursements from the operating account which require two signatures (e.g. check signatures) to \$30,000 or greater, and removes indemnification language to be consistent with the I-Bank's authority as provided by statute.

Assistant Director, Legal & Compliance Officer Karp asked if there were any comments or questions. Chairperson Briant asked whether indemnification should remain in the by-laws. Ms. Karp responded that the I-Bank has tort claims coverage through the State as well as separate insurance policies which provide protection to the Board in the event of liability exposure. Mr. Briant and Mr. Kocsis requested that the I-Bank and the office of the Attorney General work to get indemnification language added to the Enabling Act. There were no further questions, so Chairperson Briant requested a motion for approval.

Mr. Kocsis moved for the approval of the minutes. Mr. Hauch seconded the motion.

Nancy Collazo conducted a roll call. The motion was passed with all eight members voting in favor of the motion.

- C. Executive Director Zimmer introduced Resolution No. 23-14 authorizing the Transportation Bank Construction Loan Financing Program CLFP. This resolution authorizes the Transportation Bank CLFP to finance the costs of transportation projects in anticipation of future long-term Transportation Bank loans. Unlike prior year's CLFP, this resolution establishes the CLFP indefinitely without regard to a specific fiscal year. This Resolution continues to rely on forthcoming May Reports for the parameters of short-term loans. In addition, the Resolution authorizes the Executive Director to make loans up to \$30,000,000 and requires Board approval for project loans over \$30,000,000. It further requires the Executive Director to report to the Board for loans made in the previous month between \$15 million and \$30 million.

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

Mr. Kocsis moved for the approval of the minutes. Mr. Hauch seconded the motion.

Nancy Collazo conducted a roll call. The motion was passed with all eight members voting in favor of the motion.

- D. Executive Director Zimmer introduced Resolution No. 23-15 authorizing the Water Bank Construction Loan Financing Program CLFP. This resolution authorizes the Water Bank CLFP to finance the costs of water projects in anticipation of future long-term Water Bank loans. Like the previous Resolution, this Resolution establishes the CLFP indefinitely without regard to a specific fiscal year. This Resolution continues to rely on forthcoming May Reports for the parameters of short-term loans. In addition, the Resolution authorizes the Executive Director to make loans up to \$30,000,000 and requires Board approval for project loans over \$30,000,000. It further requires the Executive Director to report to the Board for loans made in the previous month between \$15 million and \$30 million.

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

Mr. Hauch moved for the approval of the minutes. Mr. Kocsis seconded the motion.

Nancy Collazo conducted a roll call. The motion was passed with all eight members voting in favor of the motion.

- E. Executive Director Zimmer introduced Chief Financial Officer Kaltman to present Resolution No. 23-16 authorizing the award of a contract to perform 360-degree review services for the Trenton Water Works to Remington & Vernick Engineers.

Chief Financial Officer Kaltman asked if there were any comments or questions. Hearing none,

Chairperson Briant requested a motion for approval.

Mr. Kocsis moved for the approval of the minutes. Mr. Russo seconded the motion.

Nancy Collazo conducted a roll call. The motion was passed with all eight members voting in favor of the motion.

- F. Executive Director Zimmer introduced Assistant Director, Legal & Compliance Officer Karp to present Resolution No. 23-17 authorizing establishing a pool for early technical assistance engagement services to provide early engagement assistance to disadvantaged communities in the Water Bank. The Board approved the pool consisting of the following six firms (listed in alphabetical order): 1- KPMG LLP, 2- Michael Baker International, Inc., 3- New Jersey Future, 4- Paulus Sokolowski and Sartor, LLC, 5- Tetra Tech, Inc. and 6- TWENTYTWO Public Affairs for submission to the Board.

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

Mr. Russo moved for the approval of the minutes. Mr. Hauch seconded the motion.

Nancy Collazo conducted a roll call. The motion was passed with all eight members voting in favor of the motion.

9. EXECUTIVE SESSION:

Chairperson Briant asked if there was a need for an Executive Session or any further business. Executive Director Zimmer responded to both that there was not.

Chairperson Briant then asked for a motion for adjournment.

Mr. Kocsis moved for adjournment. Mr. McManus seconded the motion.

Nancy Collazo conducted a roll call. The motion was passed with all eight members voting in favor of the motion.

The meeting was adjourned at 10:44 am.

RESOLUTION NO. 23 - 12

**RESOLUTION AUTHORIZING APPROVAL OF THE
December 2022 TREASURER'S REPORT**

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank") has reviewed the Treasurer's Report for December 2022; 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 2022 and requests that the same be entered into the record.

Adopted Date: February 9, 2023

Motion Made By: Mr. Jack Kocsis

Motion Seconded By: Mr. Michael Russo

Ayes: 8

Nays: 0

Abstentions: 0

RESOLUTION NO. 23 - 13

**RESOLUTION AMENDING THE NEW JERSEY INFRASTRUCTURE
BANK BY-LAWS**

WHEREAS, the New Jersey Infrastructure Bank is 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 may be amended and supplemented from time to time (the "Act"); and

WHEREAS, the I-Bank is authorized to make and alter By-Laws for its organization and internal management pursuant to N.J.S.A. 58:11B-4(a); and

WHEREAS, the I-Bank enacted By-Laws on November 12, 1986 (the "By-Laws"); and

WHEREAS, Section IX of the By-Laws provides that the By-Laws may be amended by a resolution duly adopted at any meeting; and

WHEREAS, the By-Laws were last amended on February 8, 2018, pursuant to Resolution Number 18-08; and

WHEREAS, the By-Laws provide that Board meetings shall be held in the offices of the I-Bank; and

WHEREAS, the By-Laws specify constraints on disbursements; and

WHEREAS, specific procedures for authorizing amounts and disbursement processes are better articulated in policies and organizational procedures; and

WHEREAS, it is necessary to amend the By-Laws to provide the option to conduct meetings electronically as well as in person, to amend the procedures and specific dollar amounts for disbursements, and to remove the indemnification provision to align with statutory authority; and

NOW THEREFORE BE IT RESOLVED, the By-Laws are amended to read as attached to this resolution by force of this resolution.

Adopted Date: February 9, 2023

Motion Made By: Mr. Jack Kocsis

Motion Seconded By: Mr. Paul Hauch

Ayes: 8

Nays: 0

Abstentions: 0

BY-LAWS
OF THE
NEW JERSEY
INFRASTRUCTURE BANK

Adopted November 12, 1986
Effective December 4, 1986

Amendment, Adopted October 14, 1987
Effective October 14, 1987

Amendment, Adopted November 23, 1987
Effective December 16, 1987

Amendment, Adopted March 29, 1990
Effective April 26, 1990

Amendment, Adopted May 8, 1997
Effective May 28, 1997

Amendment, Adopted August 14, 1997
Effective September 2, 1997

Amendment, Adopted February 17, 2011
Effective March 8, 2011

Amendment, Adopted February 8, 2018
Effective February 26, 2018

Amendment, Adopted February 9, 2023
Effective February 24, 2023

PREAMBLE

This body corporate and politic having been established by the “New Jersey Wastewater Treatment Trust Act,” L.1985, c. 334 codified as N.J.S.A. 58:11B-1 et seq. (the “Act”) as amended by L. 1997,c. 224 and L.2016 c. 56, is named the New Jersey Infrastructure Bank(“I-Bank”) and pursuant to Section 5(a) of the Act, is authorized to make and alter such By-Laws for its organization and internal management, and make rules and regulations with respect to its operations, properties and facilities except as otherwise limited by the Act. The By-Laws of the I-Bank are as follows:

I. THE I-BANK

Section 1. Offices. The principal offices of the I-Bank shall be officially located in the County of Mercer, State of New Jersey. The I-Bank may have offices at such other places within the State of New Jersey as the business of the I-Bank may require or make desirable as determined by the I-Bank.

Section 2. Seal. The I-Bank shall have a seal which shall bear the words “New Jersey Infrastructure Bank – 1985” and shall be of such design as determined by the I-Bank.

Section 3. General Powers. Pursuant to the Act, the powers of the I-Bank are vested in the directors in office from time to time, and the property, affairs and business of the I-Bank shall be managed by the I-Bank to the extent of the powers and authority allocated to the I-Bank by the Act.

II. I-BANK MEETINGS

Section 1. Annual Meeting. The I-Bank shall hold its annual organizational meeting in March or at such other time in each calendar year as the Chairperson of the I-Bank may determine. At such meeting, the I-Bank shall elect a vice chairperson, secretary, treasurer and such other officers as it has determined consistent with Part III of the By-Laws.

Section 2. Regular Meetings. Unless changed by the I-Bank, regular monthly meetings of the I-Bank shall be held in the offices of the I-Bank, held electronically, or both in the offices of the I-Bank with the opportunity to participate electronically in accordance with the “Open Public Meeting Law,” L. 1975, c.231, as amended.

Section 3. Special Meetings. Special meetings of the I-Bank may be called at any time by the Chairperson or at the written request of five or more members of the I-Bank. The Chairperson or the members requesting the special meeting may fix any time and place as the time and place for holding any special meeting. The Executive Director shall be informed of the call of such special meeting sufficiently in advance to permit the Executive Director to give adequate notice as defined under the “Open Public Meetings Law.”

Section 4. Emergency Meeting. Emergency meetings, may be called by the Chairperson at any time in accordance with the “Open Public Meetings Law.”

Section 5. Quorum. Six directors shall constitute a quorum at any meeting. Action may be taken and motions and resolutions adopted by the I-Bank by the affirmative majority vote of those directors present, but in no event shall any action be taken or motions or resolutions adopted without the affirmative vote of at least six members.

Section 6. Manner of Acting. On any questions presented, the number of members present shall be recorded by the Secretary. Action may be taken and motions and resolutions adopted by the I-Bank upon the affirmative vote of at least a quorum, as provided in Section 5 above.

Section 7. Minutes of Meetings. A true copy of the minutes of every meeting of the I-Bank shall be forthwith delivered by and under the certification of the Secretary therefor to the Governor and at the same time to the Senate and General Assembly. The time and act of this delivery shall be duly recorded on a delivery receipt. No action taken or motion or resolution adopted at a meeting by the I-Bank shall have effect until ten days, exclusive of Saturdays, Sundays and public holidays, after a copy of the minutes has been delivered to the Governor unless during the ten-day period the Governor shall approve all or part of the actions taken or motions or resolutions adopted, in which case the action or motion or resolution shall become effective upon the approval. If, in the ten-day period, the Governor returns the copy of the minutes with a veto of any action taken by the I-Bank or any member thereof at that meeting, the action shall be of no effect. The Senate or General Assembly shall have the right to provide written comments concerning the minutes to the Governor within the ten-day period, which comments shall be returned to the I-Bank by the Governor with his approval or veto of the minutes.

Section 8. Order of Business. The order of business at regular meetings shall be as outlined in the agenda for such meetings, which agenda may include the following:

- a. Call to order
- b. Reading of the “Open Public Meetings Act” statement
- c. Roll call
- d. Approval of the minutes of the previous meeting
- e. Announcements and correspondence
- f. Public Comment Session
- g. Unfinished business
- h. Treasurer’s report
- i. New business
- j. Executive Session (if needed)

III. OFFICERS

Section 1. Number. The officers of the I-Bank shall be a Chairperson, a Vice Chairperson, an Executive Director, a Treasurer, a Secretary and an Assistant Secretary. The I-Bank may also appoint such other officers as it shall deem necessary who shall hold their offices for such terms as shall be determined by the I-Bank and who shall exercise such powers and perform such duties as shall be determined from time to time by the I-Bank.

Section 2. Selection and Terms of Office. The Governor shall designate one of the appointed members to be the Chairperson and Chief Executive Officer of the I-Bank. The Vice Chairperson shall be elected biannually from among the appointed directors. The directors shall elect a Secretary and Treasurer who need not be a director, and the same person may be elected to serve as both Secretary and Treasurer. The Executive Director shall be appointed and employed by the I-Bank and shall be designated at any annual, regular or special meeting and hold office for such term or period of time and at such salary as the I-Bank shall determine. The Executive Director shall also serve as Assistant Secretary.

Section 3. Vacancies. Any vacancies occurring among the members of the I-Bank by reason of death, resignation, disqualification, incapacity to serve, removal from the office in accordance with law, or otherwise, shall be filled in the manner provided for by Section 4 of the Act. No vacancy in membership of the I-Bank shall impair the right of a quorum to exercise all the rights and perform all the duties of the I-Bank.

Section 4. Expenses. Each director of the I-Bank shall be reimbursed for actual and necessary expenses incurred in the performance of the I-Bank duties, pursuant to policies established by the I-Bank.

Section 5. Bonds. Each director, Executive Director and the Treasurer of the I-Bank shall execute a bond to be conditioned upon the faithful performance of the duties of the member in a form and amount as may be prescribed by the State Treasurer. The I-Bank may determine to apply for inclusion in the State's blanket bond in accordance with N.J.S.A. 52:14-17.16 et seq.

Section 6. Oaths. Each Director, before entering upon his or her duties, shall take and subscribe an oath to perform the duties of his or her office faithfully, impartially and justly to the best of his or her ability. A record of oaths shall be filed in the Office of the Secretary of State.

IV. DUTIES OF OFFICERS

Section 1. Chairperson (and Chief Executive Officer). The Chairperson shall preside at all meetings of the I-Bank and shall have general control over the business and affairs of the I-Bank, subject to the direction of the I-Bank. The Chairperson shall have the power to rule on questions of order, execute all contracts by manual or facsimile signature, execute disbursements in accordance with Part VII hereof, and shall perform such other duties as the Board may from time to time prescribe by resolution.

Section 2. Vice Chairperson. The Vice Chairperson shall exercise the powers and perform the duties of the Chairperson in the event that the Chairperson is unable to perform such duties by reason of illness, disability or absence, or when requested to perform such other duties as may from time to time be assigned by the Chairperson of the I-Bank. The Vice Chairperson shall have such other powers and perform such other duties as the Board may from time to time prescribe by resolution. The Vice Chairperson may adopt a facsimile or electronic signature to be utilized in the performance of assigned responsibilities.

Section 3. Secretary. The Secretary shall keep the official records of the I-Bank, minutes of the actions taken at the meetings of the I-Bank, and the seal of the I-Bank, shall certify when required, copies of records, and shall, from time to time perform such other duties as shall be assigned by the I-Bank. The Secretary may adopt a facsimile or electronic signature to be utilized in the performance of assigned responsibilities.

Section 4. Executive Director. The Executive Director shall have all the power and authority delegated to him or her in accordance with these By-Laws, actions of the I-Bank, or otherwise pursuant to the provisions of the Act. The Executive Director shall, subject to the provisions of these By-Laws, have general supervisory and management responsibility over the staff and day-to-day activities of the I-Bank. Under the direction of the I-Bank, the Executive Director shall prepare the Annual Report, for approval by the I-Bank, which report is to be submitted to the Governor and the Legislature pursuant to the Act. The Executive Director shall have the power to sign checks in accordance with Part VII hereof, and shall under the direction of the Treasurer, keep the financial records of the I-Bank and provide for custody of funds and other property of the I-Bank. The Executive Director shall also act as Assistant Secretary of the I-Bank and shall exercise such powers and perform such duties of the Secretary as the Chairperson shall request in the event the Secretary, by reason of absence, illness or disability is unable to exercise his or her powers or perform his or her duties. The Executive Director may adopt a facsimile or electronic signature to be utilized in the performance of assigned responsibilities.

Section 5. Treasurer. The Treasurer shall have the power to sign checks in accordance with Part VII hereof, approve disbursements, and perform all other duties as may be conferred by these By-Laws and the I-Bank. The Treasurer may adopt a facsimile or electronic signature to be utilized in the performance of assigned responsibilities.

Section 6. Assistant Director. The Assistant Director shall assume the duties and responsibilities of the Executive Director in the Executive Director's absence.

V. ADDITIONAL STAFF

The I-Bank shall, as permitted by law, name and appoint, from time to time, such additional officers or employees, attorneys, accountants, engineers, financial experts, and any other advisors, consultants, experts and agents as it may require. Said additional staff

shall be under direct supervision of the Executive Director, unless otherwise so designated by the I-Bank.

VI. BUDGET

Whenever reference in these By-Laws is made to a budget it shall mean a budget approved or adopted by or for the I-Bank.

VII. DISBURSEMENTS

Section 1. The Chairperson, Treasurer and the Executive Director shall be authorized to sign for the payment of money from the Operating Fund.

Section 2. For checks drawn against the Operating Fund in amounts of Thirty Thousand Dollars (\$30,000.00) or less, the signature of the Treasurer, the Chair or the Executive Director shall be sufficient.

Section 3. For checks drawn against the Operating Fund in excess of Thirty Thousand Dollars (\$30,000.00), signatures from any two of these officers: the Chair, the Executive Director and the Treasurer shall be sufficient.

Section 4. Payment for services rendered under Board approved contracts for additional staff as outlined in Part V may be made upon submission of an itemized bill satisfactory to the Executive Director and Treasurer.

VIII. DEPOSITS

All funds of the I-Bank, except petty cash, shall be deposited from time to time to the credit of the I-Bank in such banks, I-Bank companies, or other depositories approved by the I-Bank, or such funds of the I-Bank may be invested from time to time as the I-Bank may direct and prescribe. The I-Bank is authorized to invest and deposit the funds of the I-Bank in any obligation and/or depositories which are consistent with the investment policies of the State Investment Council. All moneys placed in the Interim Environmental Financing Program Fund, the Disaster Relief Emergency Financing Program Fund, Wastewater Treatment System General Loan Fund and the Water Supply Facilities General Loan Fund may only be used for projects funded by the New Jersey Environmental Infrastructure Financing Program and shall be held separate from all other funds of the I-Bank and no environmental funds shall be combined with or comingled with any funds that finance transportation projects. All moneys placed into the State Transportation Infrastructure Bank Fund may only be used for projects funded by the New Jersey Transportation Infrastructure Financing Program. All moneys placed into the State Transportation Infrastructure Bank Fund shall be held separate from all other funds of the trust and no transportation funds shall be combined with or comingled with any funds that finance 1) wastewater treatment system project, 2) water supply projects or 3) other environmental infrastructure projects that are not transportation projects.

IX. AMENDMENTS AND SUSPENSION

The provisions of these By-Laws may be amended, rescinded or suspended, in whole or part, by a resolution duly adopted at any meeting.

RESOLUTION NO. 23 - 14

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING THE TRANSPORTATION BANK CONSTRUCTION FINANCING PROGRAM

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 established by the terms and provisions of the then-current and applicable Transportation Infrastructure Financing Program Financial Plan, submitted to the New Jersey State Legislature (the "State Legislature") by the I-Bank, each State Fiscal Year ("SFY"), as the same may be amended and supplemented during such respective SFY, pursuant to and in satisfaction of the requirements of the Act (the "Annual Financial Plan"), is authorized, pursuant to the Interim Transportation Financing Program created pursuant to N.J.S.A. 58:11B-9(g) ("Section 9(g)") (the "Transportation Bank 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 costs of planning, acquisition, environmental planning, engineering, construction, reconstruction, repair and rehabilitation) (each, a "Transportation Bank Project"), provided that each such Construction Loan made by the I-Bank to any such Borrower satisfies the requirements of (a) the Act, including, without limitation, Section 9(g), (b) any regulations promulgated pursuant to the Act applicable to the Transportation Bank Construction Financing Program, as the same may be amended and supplemented from time to time (the "Regulations") and (c) the applicable Annual Financial Plan; and

WHEREAS, pursuant to the terms and provisions of the Act and each applicable Annual 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 Bank Construction Financing Program, provided each of the following conditions is satisfied in full: (i) the requirements of the Act, including but not limited to those contained in Section 9(g), (ii) the Transportation Bank Project is listed on the then-current Department of Transportation's ("NJDOT") project priority list for the related funding cycle as submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20.2; (iii) the proposed Borrower has submitted a complete application for the Transportation Bank Project; (iv) the proposed Borrower has complied with the I-Bank's Credit Policy, as then in effect (the "Credit Policy"), pursuant to the adoption of an approving resolution of the Board of Directors of the I-Bank (the "Board" or the "Board of Directors"); (v) the Transportation Bank Project is in the fundable range in the forthcoming funding cycle and has been allocated funding given the Transportation Bank Project's rank and the anticipated availability of Transportation Bank monies; (vi) the Transportation Bank Project (or, at a minimum, one contract thereof) has been certified for funding pursuant to the terms and provisions of the Act and the applicable Annual Financial Plan; and (vii) the proposed Borrower has not previously received a Construction Loan through the Transportation Bank 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 Section 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 Bank Construction Financing Program Conditions Precedent”); and

WHEREAS, it is the desire of the I-Bank, subject to the applicable terms and provisions of (i) the Act, (ii) the then-applicable Annual Financial Plan and (iii) this Resolution, to authorize the implementation of the Transportation Bank Construction Financing Program SFY2024 and for each SFY thereafter, as well as that portion of the current SFY2023 that remains as of the effective date of this Resolution (the “Transportation Bank Construction Financing Program”); and

WHEREAS, in order to provide a source of funding for the implementation of the Transportation Bank Construction Financing Program, it is anticipated that the State Legislature and the Governor of the State will enact into law one or more appropriation acts applicable to each given SFY (collectively, for each given SFY, the “Annual Appropriation”) that will appropriate funds to the Interim Transportation Financing Program Fund as defined in Section 9(g) for each such respective SFY. Each Annual Appropriation made to the I-Bank by the State for such purposes is collectively referred to as the “Appropriation.” The Appropriation, as well as any investment earnings thereon, any fees earned, 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 operating 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 (Section 9(g)) for the purpose of funding the Transportation Construction Financing Program; and

WHEREAS, with respect to the Transportation Bank Construction Financing Program of the I-Bank, the I-Bank may choose to utilize private sources of financing as approved by the Board as additional sources of funding for the Transportation Bank Construction Financing Programs, including, without limitation, the issuance and incurrence of short term obligations in the form of extendable commercial paper or any other debt instrument incurred or issued by the I-Bank in the future in order to procure Additional Proceeds for the Transportation Bank Construction Financing Program (collectively, the “Future Credit Instrument” and with the Appropriation shall be referred to collectively herein as the “Available Funds”); and

WHEREAS, it is the desire of the I-Bank that, if a Borrower is eligible to receive financing from the Transportation Bank Construction Financing Program for a Transportation Bank Project that includes multiple contracts, the Borrower may receive a single, combined Construction Loan for such Transportation Bank Project, provided that (i) the Borrower has submitted to the I-Bank and the NJDOT a complete application with respect to the Transportation Bank Project, (ii) the I-Bank shall not be obligated to disburse any Available Funds pursuant to such Construction Loan with respect to any contract of such Transportation Bank Project until such contract 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 applicable Annual 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 Transportation Bank Construction Financing Program, including, without limitation, (i) the interest rate provisions applicable to each Construction Loan, (ii) the maturity with respect to each Construction Loan, and (iii) all fees applicable to each Construction Loan and the Transportation Bank Project financed thereby, as the Authorized Officers shall deem necessary and appropriate for the implementation of the Transportation Bank Construction Financing Program, all in a manner consistent with the applicable terms and provisions of (i) the Act and (ii) the Annual Financial Plan; and

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

Section 1. Recitals; Authorization, Establishment and Implementation of the Transportation Bank Construction Financing Program. The recitals set forth above are incorporated by reference herein as if set forth at length herein. The Board hereby authorizes and directs the establishment and implementation of the Transportation Bank Construction Financing Program by the Authorized Officers, subject to compliance by the I-Bank with the applicable provisions of (i) the Act and (ii) the Annual Financial Plan applicable thereto, and each of the following requirements of this Resolution:

- (a) The Transportation Bank Construction Financing Program is established as defined herein and is implemented pursuant to the terms hereof for a term commencing with the effective date of this Resolution (the “Effective Date”; such Effective Date to be established pursuant to N.J.S.A. 58:11B-4(i)) and, therefore, this Resolution shall apply to (i) the remainder of SFY 2023 commencing with such Effective Date, (ii) SFY 2024, and (iii) each SFY thereafter, subject to the applicable terms and provisions of (a) the Act, (b) the Regulations, if any, (c) the then-applicable Annual Financial Plan, and (d) this Resolution; provided, however, that any action taken by the I-Bank, through its Authorized Officers, prior to the Effective Date and pursuant to the terms and provisions of that certain Resolution No. 22-07, adopted on February 10, 2022 and entitled “Resolution of the New Jersey Infrastructure Bank Authorizing the Transportation Bank Construction Financing Program for State Fiscal Year 2023” and relating to SFY 2023 (the “SFY2023 Authorizing Resolution”) shall be and remain binding and effective, and each resolution of the Board of Directors adopted thereby prior to the Effective Date pursuant to and in furtherance of the SFY2023 Authorizing Resolution and relating to the Transportation Bank Construction Financing Program shall be and remain binding and effective pursuant to its respective terms. The SFY2023 Authorizing Resolution is not amended or supplemented by the terms hereof and shall remain binding and effective pursuant to the terms thereof through and including June 30, 2023 as and to the extent provided by the terms of this Resolution.
- (b) Each Construction Loan made pursuant to the Transportation Bank Construction Financing Program shall be funded solely from the Available Funds applicable thereto and available therefor, as and to the extent provided in the recitals of this Resolution. The Authorized Officers are each hereby severally authorized and directed, after consultation with the I-Bank’s Professional Advisors (as hereinafter defined), to determine the Available Funds that shall be the available source of funding for any given Construction Loan during any given SFY made pursuant to the Transportation Bank Construction Financing Program.

- (c) Each Construction Loan made pursuant to the Transportation Construction Financing Program, and each Transportation Bank Project (including each contract thereof) funded thereby, shall comply fully with the applicable terms and provisions of the Act, the Regulations, if any, and the Annual Financial Plan applicable thereto, as well as the terms and provisions of this Resolution.
- (d) No Construction Loan shall be made pursuant to the Transportation Bank Construction Financing Program unless and until the Transportation Bank Construction Financing Program Conditions Precedent applicable to a given Borrower and Transportation Bank Project have been satisfied, in full, in compliance with the applicable requirements of the Act, the applicable Annual Financial Plan, as well as the terms and provisions of this Resolution.
- (e) Each Construction Loan made pursuant to the Transportation Bank 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 Transportation Construction Financing Program pursuant to the terms and provisions of this Resolution 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 its other obligations related to its Construction Loan, (ii) a written receipt of the I-Bank acknowledging its acceptance of a particular Obligation, and (iii) any additional documentation as shall be deemed necessary and appropriate 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"). The instruments identified in clauses (i), (ii) and (iii) hereof shall be referred to collectively herein as the "Loan Instruments". The Loan Instruments shall include such terms and provisions relating to the 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 applicable requirements of the Act and the applicable Annual Financial Plan and (ii) the implementation of the 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 shall be determined in accordance with Section 3 hereof and memorialized in the Obligation;
- (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, all as memorialized in the Obligation;

- (c) Each Construction Loan shall have a maturity date that shall be no later than the applicable date as shall be determined pursuant to Section 5 hereof and memorialized in the Obligation;
- (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 applicable Annual 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 contracts via a single Construction Loan and the proper disbursement of such Construction Loan proceeds for the funding of each Transportation Bank Project contract.

Each Obligation shall be in substantially the form attached hereto as Exhibit A and made a part hereof, with such revisions and modifications hereafter made thereto as shall be approved by an Authorized Officer, after consultation with Legal Counsel, as being necessary or appropriate in connection with (i) the satisfaction of the applicable requirements of the Act, the Regulations or the Annual Financial Plan applicable thereto, or (ii) the satisfaction by the applicable Borrower or the applicable Project of the applicable terms and provisions of the Credit Policy, or (iii) an increase of, or enhancement to, the covenant obligations of the Borrower relating to the Borrower, the Project or the operations thereof, as and to the extent deemed necessary or appropriate, with such approval by the Authorized Officer of such revisions and modifications thereto being evidenced by the execution by such Authorized Officer of the written receipt of the I-Bank with respect to such Obligation.

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 by the I-Bank as part of the Transportation Bank Construction Financing Program, shall not exceed \$30,000,000, unless a higher principal amount thereof is authorized by official action of the Board at a future meeting thereof; provided, however, if the principal amount of a Construction Loan made by the I-Bank as part of the Transportation Bank Construction Financing Program exceeds \$15,000,000 but is less than or equal to \$30,000,000, such Construction Loan must be the subject of a report to the Board by the Executive Director of the I-Bank, or a designee thereof, at the first regular meeting of the Board that shall occur following the month during which such Construction Loan closing occurred, which report shall set forth details relating to such Construction Loan, including, without limitation, the Borrower thereof, the Project financed thereby and the credit analysis (pursuant to the Credit Policy) relating thereto. 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 outstanding principal amount of a Construction Loan of such Borrower, made as part of the Transportation Bank Construction Financing Program (the “Interest Rate Calculation”) shall be calculated by an Authorized Officer at such times and in a manner consistent with the terms and provisions of the then-applicable Annual Financial Plan.

Section 5. Maturity Date. The maturity date with respect to any Construction Loan made pursuant to the Transportation Bank Construction Financing Program (and the Obligation issued by the Borrower in connection with such Construction Loan), shall not exceed the maximum maturity that is permitted pursuant to the terms of N.J.S.A. 58:11B-9(g), as such Section 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 Transportation Bank Construction Financing Program, provided such Authorized Officer determines, after consultation with Legal Counsel, that such Borrower qualifies for such participation pursuant to the applicable terms and provisions of the Act, the Regulations, if any, the Annual Financial Plan applicable thereto, and the terms and provisions of this Resolution, including, without limitation, the terms and provisions of the Resolution relating to the satisfaction by such Borrower of the applicable Transportation Bank Construction Financing Program Conditions Precedent.

Section 7. Delegation as to Transportation Bank Project Certification. Prior to the making of any Construction Loan to a Borrower with respect to any Transportation Bank Project pursuant to the Transportation Bank Construction Financing Program, the Authorized Officers are each hereby severally authorized and directed to certify such Transportation Bank Project for funding through the Transportation Bank Construction Financing Program in accordance with the terms and provisions of the applicable Annual Financial Plan, the Act and the Regulations, if any; provided, however, that as a condition precedent to such certification by an Authorized Officer, (i) the proposed Transportation Bank Project, or at least one contract 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 contracts thereof) shall otherwise qualify for funding through the Transportation Construction Financing Program pursuant to the terms and provisions of the Act, the Regulations, if any, and the then-applicable Annual Financial Plan, and the applicable terms and provisions of this Resolution.

Section 8. Multiple Contracts of a Transportation Bank Project. In the event that one, but not all, of the contracts of a Transportation Bank Project that is to be the subject of a Construction Loan pursuant to the Transportation Bank 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 applicable provisions of the Act, the applicable terms and provisions of the applicable Annual 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 contracts 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 contracts 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 Transportation Bank 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 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.

Any document executed by an Authorized Officer in connection with a Construction Loan may be executed via manual or facsimile signature or signed electronically via any other secure electronic means, including, but not limited to, DocuSign and Adobe Sign.

Section 10. Reporting to the Board on Loans. At each regular meeting of the Board following the month in which a Construction Loan closing occurred, the Executive Director of the I-Bank, or a designee thereof, shall provide a report to the Board which may consist of one or more of the following: (i) a summary status presentation with respect to all Construction Loans closed (a) since the prior regular meeting of the Board, and (b) during the then-current SFY to date, (ii) all requisition disbursements by the I-Bank pursuant to all then-outstanding Construction Loans during the then-current SFY to date, (iii) a projected assessment of future Construction Loan closings during the remaining balance of the then-current SFY, and (iv) such other matters as the Executive Director of the I-Bank shall determine to be appropriate or as the Board, including any individual member thereof, may request at such meeting of the Board.

Section 11. Delegation as to Certain Actions Relating to the Procurement of a Future 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 from time to time of a Future Credit Instrument for the Transportation Bank Construction Financing Program:

- (a) Engage in discussions with one or more financial institutions, for the purpose of exploring potential structural, collateral and credit features relating to a Future Credit Instrument for the purpose of funding all or a portion of the Transportation Bank Construction

Financing Program, 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, a “Future Credit Instrument RFP”) to financial institutions, for the establishment of a Future Credit Instrument for the purpose of funding all or a portion of the Transportation Bank Construction Financing Program, in such amount as shall be determined by such Authorized Officer to be necessary and appropriate for such purpose. Each such Future 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 Future 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 Future 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.

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 9, 2023

Motion Made By: Mr. Jack Kocsis

Motion Seconded By: Mr. Paul Hauch

Ayes: 8

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- 202_- [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 and/or make available Other Available I-Bank Funds 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 and/or Other Available Funds of the I-Bank, 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 clause (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, 202_ [current SFY+3]. 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, 202_ [current SFY+3], 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, 202_ [current SFY+4], 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, 202_ [current SFY+5], 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.

Pursuant to Section 9(e) of the Act, and notwithstanding any language to the contrary in the Borrower's bond ordinance, the Borrower acknowledges and agrees that the provisions of Section 9(e) of the Act supersede the provisions of the Local Bond Law with respect to the maturity of short-term or temporary loans and certain other matters, including but not limited to N.J.S.A. 40A:2-8.1. Accordingly, and solely if deemed necessary for the purposes of local law in connection with language in the Borrower's bond ordinance that does not reflect Section 9(e) of the Act, this Note shall be deemed to have an initial maturity of not greater than one year from the Issue Date and shall be deemed to automatically renew thereafter for additional one-year periods (or, if applicable, such shorter period of time as may be the case with respect to the final renewal period) until the Maturity Date as determined above pursuant to the other clauses of this definition of Maturity Date.

“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.

“Other Available Funds of the I-Bank” means funds of the I-Bank, other than proceeds of I-Bank Bonds,

which funds are available for the purpose of making Anticipated Long-Term Loans pursuant to and as part of the Anticipated Financing Program.

“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.] [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, including, without limitation, (A) the issuance by the Borrower of a bond to the I-Bank in order to evidence and secure the repayment obligation of the Borrower with respect to the Anticipated Long Term Loan, which bond will be qualified pursuant to, and entitled to the benefits of the provisions of, the Municipal Qualified Bond Act, N.J.S.A. 40A:3-1 et seq. and (B) in connection with the issuance of such bond, compliance by the Borrower with the Qualified Bond Debt Service Coverage Ratio, as defined in and pursuant to the provisions of Section VI, 2(A)(i)(ii) of the Credit Policy (as defined herein) of the I-Bank.]

(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 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:

Clerk

By: _____
[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. 23 - 15

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING THE WATER BANK CONSTRUCTION FINANCING PROGRAM

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”), (ii) the regulations promulgated pursuant to the Act (codified at 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”), and (iii) the policies established by the terms and provisions of the then-current and applicable Environmental Infrastructure Financing Program Financial Plan, submitted to the New Jersey State Legislature (the “State Legislature”) by the I-Bank each State Fiscal Year (“SFY”), as the same may be amended and supplemented during such respective SFY, pursuant to, and in satisfaction of, the requirements of the Act (N.J.S.A. 58:11B-21, -21.1, -22 and -22.1) (the “Annual Financial Plan”), is authorized, pursuant to an Interim Environmental Financing Program, created pursuant to N.J.S.A. 58:11B-9(d), for the I-Bank’s 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 (each, a “Project”), provided that each such Construction Loan made by the I-Bank to any such Borrower satisfies the requirements of (a) the Act, including, without limitation, N.J.S.A. 58:11B-9(d), (b) the Regulations, including, without limitation, N.J.A.C. 7:22-4.47, and (c) the applicable Annual Financial Plan; 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 New Jersey Department of Environmental Protection’s (“NJDEP”) then-current project priority list as submitted to the State Legislature pursuant to N.J.S.A. 58:11B-20 or N.J.S.A. 58:11B-20.1; (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 (the “Credit Policy”), pursuant to the adoption of an approving resolution of the Board of Directors of the I-Bank (the “Board” or the “Board of Directors”); (iv) the Project (or, at a minimum, an operable segment, as defined in the applicable Annual Financial Plan, thereof) has been certified for funding by the I-Bank in accordance with N.J.A.C. 7:22-4.13, in reliance upon the certification of the Project by the Commissioner of the NJDEP; (v) the Project is in the fundable range in the forthcoming funding cycle given the Project's rank and the anticipated availability of NJDEP and I-Bank funding; and (vi) the proposed Borrower has not previously received a Construction Loan through the Water Bank 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 Bank Construction Financing Program Conditions Precedent”; and

WHEREAS, it is the desire of the I-Bank, subject to the applicable terms and provisions of (i) the Act, (ii) the Regulations, (iii) the then-applicable Annual Financial Plan, and (iv) this Resolution, to authorize the implementation, for SFY2024 and for each SFY thereafter as well as that portion of the current SFY2023

that remains as of the effective date of this Resolution, of the Water Bank Construction Financing Program for the New Jersey Water Bank of the I-Bank (the “Water Bank Construction Financing Program”); and

WHEREAS, in order to provide a source of funding for the implementation of the Water Bank Construction Financing Program, it is anticipated that the State Legislature and the Governor of the State will enact into law one or more appropriation acts applicable to each given SFY (collectively for each given SFY, the “Annual Appropriation”) that will appropriate to the I-Bank for such respective SFY such sums to be deposited in the segregated fund created by the I-Bank, pursuant to the Act, for the purpose of funding the Water Bank Construction Financing Program for such respective SFY; and

WHEREAS, in addition to the funds made available to the I-Bank pursuant to the Annual Appropriation for purposes of funding for each respective SFY the Water Bank Construction Financing Program, it is the desire of the I-Bank to provide, as additional sources of funding for the Water Bank Construction Financing Program for each SFY, (i) net earnings with respect to New Jersey Water Bank funds that are then held by the I-Bank and (ii) New Jersey Water Bank operating funds that are then held by the I-Bank and that are not required for, or committed to, the operations by the I-Bank of the New Jersey Water Bank for the then-current and the subsequent SFY (collectively, the funds referenced in clauses (i) and (ii) hereof shall be referred to herein as the “Available I-Bank Revenues”), which Available I-Bank Revenues may be made available by the I-Bank, at the discretion of an Authorized Officer (as defined in Section 2 hereof), to any Borrowers participating in the Water Bank Construction Financing Program during a given SFY (a) up to a maximum of \$1,000,000 per Borrower during such SFY, plus (b) that amount that may be required in order to finance payment to the NJDEP of the Loan Origination Fee (as defined in the Financial Plan) for each Project of such Borrower; and

WHEREAS, in addition to the funds made available to the I-Bank pursuant to the Annual Appropriation and the Available I-Bank Revenues for purposes of funding the Water Bank Construction Financing Program during each SFY, it is the desire of the I-Bank to provide, as an additional source of funding for the Water Bank Construction Financing Program, (i) funds drawn by the I-Bank from a revolving line of credit or other similar financial vehicle that may be procured by the I-Bank, either through a competitive or negotiated process, pursuant to N.J.S.A. 58:11B-5, or (ii) proceeds of bonds, notes or other obligations issued by the I-Bank, including, without limitation, (a) its Environmental Infrastructure Extendable Commercial Paper Notes currently outstanding or hereafter issued by the I-Bank or (b) such other commercial paper that may be issued by the I-Bank in the future through a competitive or negotiated process (collectively, the “Additional Proceeds”), which Additional Proceeds may be made available by the I-Bank, at the discretion of an Authorized Officer, to fund Projects through the Water Bank Construction Financing Program as and to the extent permitted by the terms and provisions of the respective debt instrument pursuant to such Additional Proceeds have been incurred or issued by the I-Bank; the Annual Appropriation, the Available I-Bank Revenues and the Additional Proceeds shall be referred to collectively herein as the “Available Funds”; any debt instrument incurred or issued by the I-Bank in the future in order to procure Additional Proceeds for the Water Bank Construction Financing Program shall be referred to herein as a “Future Credit Instrument” ; and

WHEREAS, it is the desire of the I-Bank that, if a Borrower is eligible to receive financing from the Water Bank 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, without limitation, each operable segment of such Project, (ii) the I-Bank shall not 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 each of the NJDEP and the I-Bank, and (iii) the Borrower otherwise satisfies each of the other applicable requirements of the Act, the Regulations and the Annual Financial Plan applicable thereto and the applicable terms of this Resolution; and

WHEREAS, it is the desire of the I-Bank to establish such additional terms and provisions for the Water Bank Construction Financing Program, including, without limitation, (i) the interest rate applicable to each Construction Loan made as part of the Water Bank Construction Financing Program, (ii) the maturity with respect to each Construction Loan made as part of the Water Bank Construction Financing Program, and (iii) all fees applicable to each Construction Loan made as part of the Water Bank Construction Financing Program and the Project financed thereby, all in a manner consistent with the applicable provisions of (a) the Act, (b) the Regulations and (c) the Annual Financial Plan applicable thereto.

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

Section 1. Recitals; Authorization, Establishment and Implementation of the Water Bank Construction Financing Program. The recitals set forth above are incorporated by reference herein as if set forth at length. The Board hereby authorizes and directs the establishment and implementation by the Authorized Officers of the Water Bank Construction Financing Program, subject to compliance by the I-Bank with the applicable provisions of (i) the Act, (ii) the Regulations and (iii) the Annual Financial Plan applicable thereto, and each of the following requirements of this Resolution:

- (a) The Water Bank Construction Financing Program is established as defined herein and is implemented pursuant to the terms hereof for a term commencing with the effective date of this Resolution (the "Effective Date"; such Effective Date to be established pursuant to N.J.S.A. 58:11B-4(i)) and, therefore, this Resolution shall apply to (i) the remainder of SFY 2023 commencing with such Effective Date, (ii) SFY 2024, and (iii) each SFY thereafter, subject to the applicable terms and provisions of (a) the Act, (b) the Regulations, (c) the then-applicable Annual Financial Plan, and (d) this Resolution; provided, however, that (1) any action taken by the I-Bank, through any Authorized Officer, prior to the Effective Date and pursuant to the terms and provisions of that certain Resolution No. 22-08, adopted on February 10, 2022 and entitled "Resolution of the New Jersey Infrastructure Bank Authorizing the Water Bank Construction Financing Program for State Fiscal Year 2023" and relating to SFY 2023 (the "SFY2023 Authorizing Resolution") shall be and remain binding and effective, and (2) each resolution of the Board of Directors adopted thereby prior to the Effective Date pursuant to and in furtherance of the SFY2023 Authorizing Resolution and relating to the Water Bank Construction Financing Program shall be and remain binding and effective pursuant to its respective terms, and any Authorized Officer may take any action authorized and directed pursuant to the terms thereof at any time during, or subsequent to, SFY 2023. The SFY2023 Authorizing Resolution is not amended or supplemented by the terms hereof, and shall remain binding and effective as and to the extent provided by the terms thereof and the terms hereof.

- (b) Each Construction Loan made pursuant to the Water Bank Construction Financing Program shall be funded solely from the Available Funds applicable thereto and available therefor, as and to the extent provided in the recitals of this Resolution. The Authorized Officers are each hereby severally authorized and directed, after consultation with Legal Counsel (as defined in Section 2 hereof) and the Financial Advisor to the I-Bank, to determine those Available Funds that shall be the available source of funding for any given Construction Loan during any given SFY made pursuant to the Water Bank Construction Financing Program.
- (c) Each Construction Loan made pursuant to the Water Bank Construction Financing Program, and each Project (including each operable segment thereof) funded thereby, shall comply fully with the applicable terms and provisions of the Act, the Regulations and the Annual Financial Plan applicable thereto, as well as the terms and provisions of this Resolution.
- (d) No Construction Loan shall be made pursuant to the Water Bank Construction Financing Program unless and until the Water Bank Construction Financing Program Conditions Precedent applicable to a given Borrower and its Project have been satisfied, in full, in compliance with the applicable requirements of the Act, the Regulations and the Annual Financial Plan applicable thereto, as well as the terms and provisions of this Resolution.
- (e) Each Construction Loan made pursuant to the Water Bank 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 Water Bank Construction Financing Program pursuant to the terms and provisions of this Resolution 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 obligations and its other obligations related to its Construction Loan, (ii) a written receipt of the I-Bank acknowledging its acceptance of a particular Obligation, and (iii) any additional documentation as shall be deemed necessary and appropriate 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 such 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, if necessary, the Office of the Attorney General of the State (collectively, the "Legal Counsel"). The instruments identified in clauses (i), (ii) and (iii) hereof shall be referred to collectively herein as the "Loan Instruments". The Loan Instruments shall include such terms and provisions relating to the Water Bank 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 applicable requirements of the Act, the Regulations and the Annual Financial Plan applicable thereto, and (ii) the implementation of the 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 shall be determined in accordance with Section 3 hereof and memorialized in the Obligation;
- (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 memorialized in the Obligation;
- (c) Each Construction Loan shall have a maturity date that shall be no later than the applicable date as shall be determined pursuant to Section 5 hereof and memorialized in the Obligation;
- (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 and the engineering services provided by, or on behalf of, the NJDEP to such Project, in such amount as shall be set forth in, and calculated pursuant to, the Annual Financial Plan applicable thereto, which Administrative Fee shall be memorialized in the exhibits to the Obligation; 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 operable segment of such Project.

Each Obligation shall be in substantially the applicable form attached hereto as Exhibit A and made a part hereof, with such revisions and modifications hereafter made thereto as shall be approved by an Authorized Officer, after consultation with Legal Counsel, as being necessary or appropriate in connection with (i) the satisfaction of the applicable requirements of the Act, the Regulations or the Annual Financial Plan applicable thereto, or (ii) the satisfaction by the applicable Borrower or the applicable Project of the applicable terms and provisions of the Credit Policy, or (iii) an increase of, or enhancement to, the covenant obligations of the Borrower relating to the Borrower, the Project or the operations thereof, as and to the extent deemed necessary or appropriate, with such approval by the Authorized Officer of such revisions and modifications thereto being evidenced by the execution by such Authorized Officer of the written receipt of the I-Bank with respect to such Obligation.

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 by the I-Bank as part of the Water Bank Construction Financing Program, shall not exceed \$30,000,000, unless a higher principal amount thereof is authorized by official action of the Board at a future meeting thereof; provided, however, that if the principal amount of a Construction Loan made by the I-Bank as part of the Water Bank Construction Financing Program exceeds \$15,000,000 but is less than or equal to \$30,000,000, such Construction Loan must be the subject of a report to the Board by the Executive Director of the I-Bank, or a designee thereof, at the first regular meeting of the Board that shall occur following the month during which such Construction Loan closing occurred, which report shall set forth details relating to such Construction Loan, including, without limitation, the Borrower thereof, the Project financed thereby and the credit analysis (pursuant to the Credit Policy) relating thereto. For

purposes of determining, at any time, the outstanding principal amount of a Construction Loan (and the outstanding principal amount of 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 to the Borrower 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 outstanding principal amount of a Construction Loan of such Borrower (and the outstanding principal amount of the Obligation issued by the Borrower in connection with such Construction Loan), made pursuant to the Water Bank Construction Financing Program (the "Interest Rate Calculation"), shall be calculated by an Authorized Officer at such times and in a manner as shall be consistent with the terms and provisions of the then-applicable Annual Financial Plan

Section 5. Maturity Date. The maturity date with respect to any Construction Loan made pursuant to the Water Bank Construction Financing Program (and the Obligation issued by the Borrower in connection with such Construction Loan) shall not exceed the maximum maturity that is permitted pursuant to the terms of N.J.S.A. 58:11B-9(d), as such Section 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 Water Bank Construction Financing Program, provided that such Authorized Officer determines, after consultation with Legal Counsel, that such Borrower qualifies for such participation pursuant to the applicable terms and provisions of the Act, the Regulations, the Annual Financial Plan applicable thereto, and the terms and provisions of this Resolution, including, without limitation, the terms and provisions of this Resolution relating to the satisfaction by such Borrower of the applicable Water Bank Construction Financing Program Conditions Precedent.

Section 7. Delegation as to Project Certification. Prior to the making of any Construction Loan to a Borrower with respect to any Project pursuant to the Water Bank Construction Financing Program, the Authorized Officers are each hereby severally authorized and directed to certify such Project for funding through the Water Bank 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 be determined by such Authorized Officer, after consultation with Legal Counsel, to otherwise qualify for funding through the Water Bank Construction Financing Program pursuant to the applicable terms and provisions of the Act, the Regulations, the Annual Financial Plan applicable thereto, and the 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 Water Bank 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 applicable provisions of the Act, the Regulations, the Annual Financial Plan applicable thereto, and 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 Water Bank Construction Financing Program. Any I-Bank Loan Instrument executed by an Authorized Officer pursuant to the terms hereof may be executed via manual or facsimile signature or signed electronically via any other secure electronic means. 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. Reporting to the Board. At each regular meeting of the Board following the month in which a Construction Loan closing occurred, the Executive Director of the I-Bank, or a designee thereof, shall provide a report to the Board which may consist of one or more of the following: (i) a summary status presentation with respect to all Construction Loans closed (a) since the prior regular meeting of the Board, and (b) during the then-current SFY to date;(ii) all requisition disbursements by the I-Bank pursuant to all then-outstanding Construction Loans during the then-current SFY to date; (iii) a projected assessment of future Construction Loan closings during the remaining balance of the then-current SFY; and (iv) such other matters as the Executive Director of the I-Bank shall determine to be appropriate or as the Board, including any individual member thereof, may request at such meeting of the Board.

Section 11. Delegation as to Certain Actions Relating to the Procurement of a Future 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 from time to time of a Future Credit Instrument for the Water Bank Construction Financing Program:

- (a) Engage in discussions with one or more financial institutions for the purpose of exploring potential structural, collateral and credit features relating to a Future Credit Instrument for the purpose of funding all or a portion of the Water Bank Construction Financing Program, 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, a “Future Credit Instrument RFP”) to financial institutions, for the establishment of a Future Credit Instrument for the

purpose of funding all or a portion of the Water Bank Construction Financing Program, in such amount as shall be determined by such Authorized Officer to be necessary and appropriate for such purpose. Each such Future 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 Future 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 Future 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 9, 2023

Motion Made By: Mr. Paul Hauch

Motion Seconded By: Mr. Jack Kocsis

Ayes: 8

Nays: 0

Abstentions: 0

EXHIBIT A

FORMS OF OBLIGATION

[NAME OF AUTHORITY]
NOTE
RELATING TO:
THE WATER BANK CONSTRUCTION FINANCING PROGRAM
OF THE NEW JERSEY INFRASTRUCTURE BANK

\$ _____, _____

NJWB - CFP – [Year] - ___

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

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

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

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

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

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

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

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

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

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

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

“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, and as the same may be amended or supplemented from time to time during such State Fiscal

Year, 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 (in a form to be determined by the I-Bank and the NJDEP) that shall relate exclusively to the Project (as defined in this Section 1, hereof) and the Costs that are allocable to the Project, which form of requisition shall be executed by an Authorized Officer of the Borrower and shall be submitted, reviewed and approved as provided by the provisions of Section 4 hereof.

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

“Maturity Date” means 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 forgoing, 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 forgoing, 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.

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

“State” means the State of New Jersey.

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

(a) Organization. The Borrower: (i) is a [municipal][county] [utilities][sewerage] authority, acting as a public body corporate and politic with corporate succession, duly created and validly existing under and pursuant to the Constitution and laws of the State, including, without limitation, the Borrower Enabling Act, and is subject to the Local Authorities Fiscal Control Law; (ii) has full legal right and authority to execute, attest, issue and deliver this Note, to authorize the authentication of this Note, to sell this Note to the I-Bank, and to perform its

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

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

(c) Pending Litigation. There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that, if adversely determined, would adversely affect (i) the condition (financial or otherwise) of the Borrower, (ii) the adoption of the Borrower Note Resolution, (iii) the ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iv) the authorization, execution, attestation, authentication or delivery of this Note, (v) the issuance of this Note and the sale thereof to the I-Bank, and (vi) the Borrower's ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Note, including, without limitation, the undertaking and completion of the Project.

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

Environmental Infrastructure System or its properties or operations are subject. The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the authorization, execution, attestation, authentication and delivery of this Note, for the issuance and sale of this Note to the I-Bank, for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Note, 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. The Borrower irrevocably pledges the Revenues in accordance with the terms of, and to the extent provided in, the Borrower Note Resolution, for the punctual payment of any and all obligations and amounts due under this Note (including, without limitation, the payment of the Administrative Fee in the amount and at the time as required by the provisions of Section 4(b) hereof). The Borrower acknowledges that, to assure the continued operation and solvency of the I-Bank, the I-Bank may, pursuant to and in accordance with Section 12a of the Act, require that if the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan repayments, any Interest or any other amounts due pursuant to this Note, an amount sufficient to satisfy such deficiency shall be paid by the State Treasurer to the I-Bank from State-aid otherwise payable to any municipality or county to which the Borrower provides services pursuant to a contractual arrangement.

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

(d) Financing With Tax-Exempt Bonds. The Borrower acknowledges, covenants and agrees that it is the intention of the Borrower to finance the Project, in whole or in part, on a long-term basis with proceeds of I-Bank Bonds now or hereinafter issued, the interest on which is excluded from gross income for purposes of federal income taxation pursuant to Section

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

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

(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it shall keep accurate records and accounts for its Environmental Infrastructure System, separate and distinct from its other records and accounts, which shall be audited annually by an independent registered municipal accountant and shall be made available for inspection by the I-Bank upon prior written notice. The Borrower 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 forgoing 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, in the records of the I-Bank with respect to the Loan 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; and (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 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 occurrence of any of 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; (iv) the occurrence of an “Event of Default” pursuant to, and as defined in, (1) a loan agreement pursuant to which a long-term loan (that remains outstanding) has been made to the Borrower by either the I-Bank or the NJDEP, or (2) a note obligation (other than this Note) pursuant to which a short-term loan (that remains outstanding) has been made to the Borrower by the I-Bank, and (v) 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, or the Borrower shall generally fail to pay its debts as such debts become due.

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 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 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: _____
Authorized Officer

Authorized Officer

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

_____,
as Trustee

By: _____
Authorized Signatory

[NAME OF MUNICIPALITY]
NOTE
RELATING TO:
THE WATER BANK CONSTRUCTION FINANCING PROGRAM
OF THE NEW JERSEY INFRASTRUCTURE BANK

\$ _____, _____,

NJWB - CFP – [Year] -__

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, and as the same may be amended or supplemented from time to time during such State Fiscal Year, 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 (in a form to be determined by the I-Bank and the NJDEP) that shall relate exclusively to the Project (as defined in this Section 1, hereof) and the Costs that are allocable to the Project, which form of requisition shall be executed by an Authorized Officer of the Borrower and shall be submitted, reviewed and approved as provided by the provisions of Section 4 hereof.

“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 forgoing, 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 forgoing, 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 forgoing 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, in the records of the I-Bank with respect to the Loan 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; and (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 occurrence of any of 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; (iv) the occurrence of an “Event of Default” pursuant to, and as defined in, (1) a loan agreement pursuant to which a long-term loan (that remains outstanding) has been made to the Borrower by either the I-Bank or the NJDEP, or (2) a note obligation (other than this Note) pursuant to which a short-term loan (that remains outstanding) has been made to the Borrower by the I-Bank, and (v) 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, or the Borrower shall generally fail to pay its debts as such debts become due.

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 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 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

Clerk

By: _____
Chief Financial Officer

RESOLUTION NO. 23 – 16

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING THE SELECTION OF AN ENGINEERING SERVICES FIRM FROM THE POOL OF QUALIFIED FIRMS

WHEREAS, pursuant to Section 5(d) of the New Jersey Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (“State”), as amended and supplemented (N.J.S.A. 58:11B-1 *et seq.*) (the “Act”), the New Jersey Infrastructure Bank (the “I-Bank”) is authorized to make and enter all contracts necessary and/or incidental to the performance of its duties; and

WHEREAS, on July 27, 2021, the I-Bank published a Request for Qualifications (“RFQ”) soliciting proposals from consulting engineering services firms (“Firms”) to establish a pool (“Pool”) of qualified engineering firms to provide consulting engineering services to the I-Bank for comprehensive assessments of public water systems’ fiscal condition; and

WHEREAS, at its October 14, 2021, meeting, the Board of Directors of the I-Bank (“Board”) approved Resolution No. 21-62 authorizing the establishment of a Pool of four qualified firms consisting of Black & Veatch, Raftelis, T&M Associates and Remington & Vernick Engineers (collectively the “Pool Firms”); and

WHEREAS, Resolution No. 21-62 further authorized the Executive Director to solicit proposals for one or more projects from the Pool of Firms in accordance with the terms of the RFQ; and

WHEREAS, the New Jersey Department of Environmental Protection (“DEP”) requested that consulting engineering services be solicited from the Pool of Firms to provide a comprehensive assessment of Trenton Water Works (“TWW”) condition and inventory of asset optimization opportunities for the purpose of valuation, and financing strategies; and

WHEREAS, on January 13, 2023, the Executive Director issued a Request for Proposals (“RFP”) soliciting proposals for technical and auditing services from all Pool Firms to review TWW condition and inventory of asset optimization opportunities; and

WHEREAS, proposals to provide technical and auditing services to evaluate TWW were submitted by Remington & Vernick Engineers of the Pool of Firms; and

WHEREAS, the selection criteria from the Pool Firms is set forth in the RFQ as i) staff expertise; (ii) total price; and (iii) total hours to complete the review (the “Selection Criteria”); and

WHEREAS, a review committee was appointed by the Executive Director consisting of one (1) staff member from the DEP and two (2) staff members from the I-Bank (collectively, the “Committee”) to independently review the proposals in accordance with the Selection Criteria; and

WHEREAS, after consideration of all proposals, the Committee recommended that the proposal presented by Remington & Vernick Engineers provided terms most favorable to meet the needs set forth in the scope of work set forth in the RFP; and

WHEREAS, the Executive Director reviewed the Committee’s recommendation and recommends that Remington & Vernick Engineers be selected from the Pool Firms to provide the technical and auditing services.

NOW THEREFORE, BE IT RESOLVED that the I-Bank selects and appoints Remington & Vernick Engineers to serve as the firm to conduct the scope of work set forth in the RFP, which appointment shall be for the period from March 1, 2023, and continue until such time as the scope of work described in the RFP is deemed complete by the DEP (“Contract Term”) and contingent upon the subsequent execution by all parties of an agreement substantially in the form presented to this meeting, which is hereby approved; provided that the Chairperson, Vice-Chairperson, and Treasurer of the I-Bank are hereby authorized with the advice of the State Attorney General, to make such changes, insertions and deletions to and omissions from such form as may be necessary or appropriate; and

BE IT FURTHER RESOLVED, the Executive Director is hereby authorized to send a confirming letter to Remington & Vernick Engineers confirming the award of the contract for the Contract Term described above; and

BE IT FURTHER RESOLVED, the Chairperson, Vice-Chairperson, and Treasurer of the I-Bank are hereby each authorized to execute and deliver such agreement, substantially in the form of the agreement approved by the Board at this meeting, with such changes, insertions, deletions and omissions as the Chairperson, Vice-Chairperson, and Treasurer of the I-Bank determine to be necessary and appropriate, with the advice of the State Attorney General. 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 January 13, 2023;
- b. The payment for all services and fees as detailed in the proposal submitted by Remington & Vernick Engineers, dated February 3, 2023;
- 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 Treasurer of the I-Bank.

Adopted Date: February 9, 2023

Motion Made By: Mr. Jack Kocsis

Motion Seconded By: Mr. Michael Russo

Ayes: 8

Nays: 0

Abstentions: 0

RESOLUTION NO. 23 - 17

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK ESTABLISHING A POOL OF QUALIFIED FIRMS FOR EARLY ENGAGEMENT ASSISTANCE SERVICES

WHEREAS, the New Jersey Infrastructure Bank (“I-Bank”) is authorized to make and enter into all contracts necessary or incidental to the performance of its duties pursuant to N.J.S.A. 58:11B-5(d), and to engage attorneys, accountants, engineers, financial experts and other consultants pursuant to N.J.S.A. 58:11B-5(l); and

WHEREAS, the I-Bank is further authorized to provide local government units with any financial and credit advice that these local government units may request, pursuant to N.J.S.A. 58:11B-5(q); and

WHEREAS, historically, there has not been consistent participation in the financing program by communities meeting affordability criteria and it is desired to ensure that there is equal access to financing packages to further water quality throughout the State; and

WHEREAS, in SFY2023, the Water Bank is offering over \$70 million in principal forgiveness and enhanced financing packages for project sponsors meeting the affordability criteria as set forth in the New Jersey Environmental Infrastructure Financing Program State Fiscal Year 2023 Amended Financial Plan (“Financial Plan”) and the New Jersey Environmental Infrastructure Financing Program State Fiscal Year 2023 Priority System and Project Priority List, submitted and filed in accordance with the New Jersey Infrastructure Trust Act, N.J.S.A. 58:11B-9(d), 20, 20.1, 21, 21.1, and 22; and

WHEREAS, it is anticipated that these financing packages which target the completion of projects in communities meeting affordability criteria will continue over the next five years; and

WHEREAS, on November 30, 2022, pursuant to Resolution No. 22-74, the I-Bank published a Request for Qualifications (“RFQ”) to establish a pool of qualified firms (“Engagement Assistance Pool”) to assist communities that meet the environmental justice, economic overburdened community or affordability criteria with early technical assistance to develop and support the success of capital projects (together, “Engagement Assistance services”) as set forth in the Financial Plan; and

WHEREAS, the RFQ enumerated, among other things, the minimal qualifications (the “Selection Criteria”) required of firms to be appointed to the Engagement Assistance Pool; and

WHEREAS, should the need arise to solicit proposals for a specific task or group of tasks, the I-Bank will select one or more firms for each specific task or grouping on a case-by-case basis from among the Engagement Assistance Pool using requests for proposals for a specific scope of work; and

WHEREAS, on January 13, 2023, the I-Bank received eleven (11) proposals, of which two were deemed non-responsive as not compliant with the submission requirements of the RFQ; and

WHEREAS, a review committee was appointed by the Executive Director consisting of two (2) staff members from the DEP and two (2) staff member from the I-Bank (collectively, the “Committee”) to independently review the proposals in accordance with the Selection Criteria; and; and

WHEREAS, the Committee’s members independently reviewed and scored the nine responsive proposals in accordance with the Selection Criteria and provided their recommendations of which firms should be selected for inclusion in the Engagement Assistance Pool to the Executive Director; and

WHEREAS, the Executive Director concurred with the recommendations of the Committee; and

WHEREAS, it is recommended that the Engagement Assistance Pool be comprised of the following firms: KPMG LLP, Michael Baker International, Inc., New Jersey Future, Paulus Sokolowski and Sartor, LLC , Tetra Tech, Inc. and TWENTYTWENTY public affairs ; and

WHEREAS, creation of the Engagement Assistance Pool shall not be construed as a guarantee that services will be required for utilized for any specific scope of work task or group of tasks.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the I-Bank (“Board”) has reviewed and accepts the recommendation of the Executive Director and directs the Executive Director to communicate same to the following firms: KPMG LLP, Michael Baker International, Inc., New Jersey Future, Paulus Sokolowski and Sartor, LLC, Tetra Tech, Inc. and TWENTYTWENTY public affairs; and

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to solicit proposals from the Engagement Assistance Pool for specific project(s).

BE IT FURTHER RESOLVED, to the extent any language in Resolution No. 22-74 is inconsistent with the language in this Resolution, Resolution No. 22-74 shall be deemed to be amended herein to maintain consistency.

Adopted Date: February 9, 2023

Motion Made By: Mr. Michael Russo

Motion Seconded By: Mr. Paul Hauch

Ayes: 8

Nays: 0

Abstentions: 0

NJIB BOARD MEETING

February 9, 2023

SUMMARY OF ANNOUNCEMENTS:

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

- On **February 8, 2023**; Executive Director Zimmer and Chief Financial Officer Kaltman participated in a call with Financial Advisors Geoffrey Stewart and Chris Lover of PFM to discuss financing options available under the Inflation Reduction Act regarding alternative energy projects for MCUA;
- On **February 2, 2023**; Executive Director Zimmer and Chief Operating Officer Rolon attended a meeting with Christopher Testa of NJOEM regarding the BRIC application initiative at the I-Bank's office;
- On **January 27, 2023**; Executive Director Zimmer, Chief Operating Officer Rolon and Operations Assistant Notte participated in a call with Mary Cruz and GinaMarie Espinoza of Deptford Township MUA regarding project finance;
- On **January 24, 25, and 26, 2023**; Executive Director Zimmer participated in US EPA's Environmental Financial Advisory Board (EFAB) in Washington, DC; and

Water Bank

Camden City -	February 8 th
Clinton Township SA -	January 18 th
Bergen County UA -	January 24 th
Deptford Township MUA -	January 27 th
Elizabeth City -	February 3 rd
Jersey City MUA -	January 17 th , 26 th
Joint Meeting of Essex & Union -	January 31 st , February 9 th
Lavallette Borough -	January 20 th
New Brunswick City -	January 18 th , February 1 st
Seaside Heights Borough -	January 17 th
Southeast Morris County UA -	January 23 rd
Stone Harbor Borough -	January 23 rd
Rahway Valley SA -	January 20 th
Red Bank Borough -	January 17 th
Wildwood City -	January 19 th , February 2 nd

Transportation Bank

Middle Township	January 19 th
NJDOT Quarterly Engineers' Mtg	January 27 th
Township of Saddle Brook	January 31 st
Old Bridge Township	February 1 st
Monmouth County	February 7 th
Livingston	February 8 th

- Executive Director Zimmer continues to participate in the LSLR Accelerator Bi-weekly meetings with NJDEP and USEPA;
- Executive Director Zimmer continues to participate in monthly CIFA Legislative Committee

meetings;

- Operations Assistant Notte conducts monthly meetings with CohnReznick;
- COO - Transportation Fernandez and COO - Water Rolon continue to participate in NJSACE/NJDOT quarterly meetings;
- Executive Director Zimmer holds weekly meetings with Integris to discuss and review IT MSP issues, open orders, and tickets;
- Assistant Director, Chief Legal & Compliance Officer Karp continues to serve as the I-Bank's point person regarding the development and adoption of Program regulations for both the Transportation Bank and Water Bank; and
- **The next Board meeting is scheduled for Thursday, March 9, 2023, at 10:00 am in hybrid format, both at the I-Bank office as well as in teleconference format. Preregistration is required.**

A copy of the announcements is available on the I-Bank's webpage (located under "Board Information, "2022 Meetings." Select "Minutes" and the announcements will be at the end of the file)

<https://www.njib.gov/nj/Board+Information.3>.

SUMMARY OF CORRESPONDENCE:

Last month, the I-Bank received or sent the noteworthy correspondence listed below. Board members should contact the I-Bank Administrative Assistant if they wish to receive full copies.

- On **January 27, 2023**, a letter was sent to Senator Nicholas Scutari, Assemblyman Craig J. Coughlin, NJ State Library Deborah Mercer, Office of Legislative Services Judith L. Horowitz, Eric Hansen, Christina Denney, Carrie Anne Calvo-Hahn and OLS Library Services Ingrid Hernquist, Maeve Pinto Sighn regarding NJ Environmental Infrastructure Financing Program (NJEIFP) Report: (i) SFY2024 Priority System and Project Priority List and (ii) Disaster Relief Emergency Financing Program Report and Project Priority List;
- On **January 27, 2023**, a letter was sent to State Treasurer Commissioner Elizabeth Maher Muoio regarding the Annual Debt Management Plan, New Jersey Infrastructure Bank;
- On **January 25, 2023**, a letter was sent to Senator Nicholas Scutari, Assemblyman Craig J. Coughlin, NJ State Library Deborah Mercer, Office of Legislative Services Judith L. Horowitz, regarding the SFY2024 the New Jersey Transportation Infrastructure Bank Financing Program Project Priority Report;
- On **January 20, 2023**, a letter was sent to State Treasurer Commissioner Elizabeth Maher Muoio regarding 30-Day Bond Sale Report NJIB Environmental Infrastructure Bonds, Series 2022A-2 (Green Bonds).

RESOLUTION NO. 23 - xx

RESOLUTION AUTHORIZING APPROVAL OF THE

January 2023 TREASURER'S REPORT

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank") has reviewed the Treasurer's Report for January 2023; 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 2023 and requests that the same be entered into the record.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:

RESOLUTION NO. 23 - xx

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING THE AWARD OF A CONTRACT FOR A TRANSPORTATION INFRASTRUCTURE FINANCING PROGRAM CUSTODIAL BANKING SERVICES PROVIDER

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);

WHEREAS, at the contract with Zion’s Bancorporation, National Association for Custodial Banking Services for the New Jersey Transportation Infrastructure Financing Program (“Transportation Bank”) terminates on April 1, 2023;

WHEREAS, the I-Bank distributed a Request for Proposals for the appointment of a Transportation Bank Custodial Banking Services Provider for the period beginning March 24, 2023 and ending March 31, 2025 with an option for two additional one-year periods upon approval of the Board of Directors of the I-Bank (“Board”) in accordance with the I-Bank Policy No. 4.00 Purchase of Goods and Services;

WHEREAS, the RFP solicited proposals and enumerated the criteria and associated weights to be applied in the evaluation process;

WHEREAS, the I-Bank received two proposals which were deemed to be compliant with the requirements of the RFP;

WHEREAS, the Executive Director of the I-Bank appointed an Evaluation Committee (“Committee”) consisting of three I-Bank staff members to review and score the proposal;

WHEREAS, the Committee members independently reviewed and scored the proposal;

WHEREAS, after the Committee members rankings were tabulated, and the highest ranking firm was invited to make a Best and Final Offer (“BAFO”), the Committee recommended the contract for Transportation Bank Custodial Banking Services Provider be awarded to TD Wealth Management, a Division of TD Bank N.A. (“TD Bank”); and

WHEREAS, the Executive Director has reviewed the Committee’s recommendation and recommends that the I-Bank engage TD Bank to serve as I-Bank’s Transportation Bank Custodial Banking Services Provider.

NOW, THEREFORE, BE IT RESOLVED, that the I-Bank selects and appoints TD Bank as the Transportation Bank Custodial Banking Services Provider, which appointment shall be for the period of March 24, 2023 through March 31, 2025, with the option to extend for two one-year periods, each upon further approval by the Board (“contract term”) and contingent upon the subsequent execution by all parties of an agreement substantially in the form presented to this meeting, which is hereby approved; provided that the Chairperson, Vice-Chairperson, and Secretary of the I-Bank are hereby authorized, with the advice of the Attorney General of the State of New Jersey, to make such changes, insertions and deletions to and omissions from such form as may be necessary or appropriate; and

BE IT FURTHER RESOLVED, the Executive Director is hereby authorized to send a confirming letter to TD Bank confirming its appointment as the I-Bank's Transportation Bank Custodial Banking Services Provider for the contract term described above; and

BE IT FURTHER RESOLVED, the Chairperson, Vice-Chairperson, or Secretary of the I-Bank is hereby authorized to execute and deliver such agreement.

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. 23 - xx

**RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING
A ONE-YEAR EXTENSION OF ITS AGREEMENT WITH TD BANK N.A. FOR CUSTODIAL BANKING SERVICES FOR
THE ENVIRONMENTAL INFRASTRUCTURE 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. 21-11, 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 Environmental Infrastructure Financing Program; and

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

WHEREAS, pursuant to Resolution No. 21-27, the Board authorized the appointment of the highest ranked firm, TD Wealth Management, a Division of TD Bank N.A. (“TD Bank”), for a two year term with an option to extend for two one-year periods subject to Board approval; and

WHEREAS, on May 18, 2021, an agreement was entered between the I-Bank and TD Bank (“Original Contract”) appointing TD Bank as provider of Custodial Banking Services for the Environmental Infrastructure Financing Program; and

WHEREAS, it is the desire of the Board to exercise the first one-year option for renewal of its Original Contract with TD Bank, as outlined in the Original Contract, as the Board deems continued appointment of TD Bank for Custodial Banking Services for the Environmental Infrastructure Financing Program to be appropriate.

NOW, THEREFORE BE IT RESOLVED, that the Chairperson or Vice-Chairperson of the I-Bank is hereby authorized to issue a contract extension to TD Bank to provide the services set forth in the Original Contract pursuant to the terms and conditions thereof and the price agreed to therein. 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 March 1, 2021, the proposal submitted by TD Bank dated March 24, 2021 and the cost proposal submitted by TD Bank dated March 24, 2021 as modified by its best and final offer submitted on April 8, 2021; 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.

The Chairperson or Vice-Chairperson are hereby authorized and directed to prepare and execute an extension agreement containing the terms set forth in the Original Contract and take such other actions that the Chairperson or Vice-Chairperson, in each person's sole discretion, after consultation with the Attorney General of the State, deems necessary, convenient, or desirable in order to effectuate the transactions contemplated hereby.

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. 23 - xx

**RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING
A ONE-YEAR EXTENSION OF ITS AGREEMENT WITH HILLTOP SECURITIES, INC. FOR FINANCIAL
ADVISOR SERVICES FOR THE TRANSPORTATION INFRASTRUCTURE 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. 21-12, the Board of Directors of the I-Bank (“Board”) authorized the Executive Director of the I-Bank to solicit proposals for the appointment of a firm to perform Financial Advisor Services for the Transportation Infrastructure Financing Program; and

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

WHEREAS, pursuant to Resolution No. 21-33, the Board authorized the appointment of the highest ranked firm, Hilltop Securites, Inc. (“Hilltop”), for a two-year term with an option to extend the contract for two additional one-year periods upon further approval of the Board; and

WHEREAS, on July 8, 2021, an agreement was entered between the I-Bank and Hilltop (“Original Contract”) appointing Hilltop as provider of Financial Advisor Services for the Transportation Infrastructure Financing Program; and

WHEREAS, it is the desire of the Board to exercise the first one-year option for renewal of its Original Contract with Hilltop, as outlined in the Original Contract, as the Board deems continued appointment of Hilltop for Financial Advisor Services for the Transportation Infrastructure Financing Program to be appropriate.

NOW THEREFORE BE IT RESOLVED, that the Chairperson or Vice-Chairperson of the I-Bank is hereby authorized to issue a contract extension to Hilltop to provide the services set forth in the Original Contract pursuant to the terms and conditions thereof and the price agreed to therein. 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 March 9, 2021, the proposal submitted by Hilltop dated April 9, 2021 and the Cost Proposal submitted by Hilltop on April 9, 2021 as modified by Hilltop’s Best and Final Cost Proposal submitted on April 29, 2021; 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.

The Chairperson or Vice-Chairperson are hereby authorized and directed to prepare and execute an extension agreement containing the terms set forth in the Original Contract and take such other actions that the Chairperson or Vice-Chairperson, in each person's sole discretion, after consultation with the Attorney General of the State of New Jersey, deems necessary, convenient, or desirable in order to effectuate the transactions contemplated hereby.

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: