RESOLUTION NO. 18-54

NEW JERSEY INFRASTRUCTURE BANK

ENVIRONMENTAL INFRASTRUCTURE BOND RESOLUTION, SERIES 2018A-2

Adopted Date: September 13, 2018

Motion Made By: Eugene Chebra

Motion Seconded By: Robert Long

Ayes: 6

Nays: 0

Abstentions: 0
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ENVIRONMENTAL INFRASTRUCTURE BOND RESOLUTION, SERIES 2018A-2

Adopted September 13, 2018

BE IT RESOLVED by the Board of Directors of the New Jersey Infrastructure Bank (the “I-Bank”) as follows:

ARTICLE I
DEFINITIONS AND RULES OF INTERPRETATION

SECTION 1.01. Definitions. Unless the context otherwise requires, for all purposes of this Bond Resolution, the terms defined in this Section 1.01 shall have the meanings specified below:

“Account” means any account designated and established hereunder.

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

“Administrative Fee” means an annual fee of three-tenths of one percent (.30%) of the initial principal amount of the Loan or such lesser amount, if any, as the I-Bank may approve from time to time, payable by each Borrower in accordance with the terms of its Loan Agreement.

“Administrative Fee Account” means the Account within the Operating Expense Fund so designated and established by Article V hereof.

“Allocable Share” for any Borrower means, with respect to the Net Earnings on all Funds, Accounts and Subaccounts that are subject to transfer and credit in accordance with Sections 5.10(3) and (4) hereof, the percentage as calculated for each such Borrower, which percentage shall be equal to a fraction, the numerator of which shall equal the original principal amount of the Loan for, as the case may be, (i) such Clean Water SRF Borrower, (ii) such Drinking Water SRF Borrower, (iii) such Clean Water non-SRF Borrower or (iv) such Drinking Water non-SRF Borrower, and the denominator of which shall equal (1) the aggregate of the original principal amount of all Loans for, as applicable, (i) all Clean Water SRF Borrowers, (ii) all Drinking Water SRF Borrowers, (iii) all Clean Water non-SRF Borrowers or (iv) all Drinking Water non-SRF Borrowers, less (2) the original principal amount of the Loan for any such Borrower that, as of the date of calculation hereof, no longer has an outstanding Loan. The calculation of the Allocable Share, as provided by the terms hereof, shall be performed by an Authorized Office of the I-Bank, or a designee thereof, (A) on September 2 of a given Bond Year if, since the prior March 1, a Borrower has satisfied in full all of its repayment obligations with respect to its Loan and such Loan, therefore, is no longer outstanding, or (B) March 2 of a given Bond Year if, since the prior March 1, a Borrower has satisfied in full all of its repayment obligations with respect to its Loan and such Loan, therefore, is no longer outstanding. The Allocable Share for each Borrower, calculated as of the date of issuance of the Series 2018A-2 Bonds, and subject to future modification in accordance with the terms hereof, is set forth in Schedule I hereto.

“Allowable Project Cost” means for any Borrower the I-Bank Share as initially defined in Exhibit B to such Borrower’s Loan Agreement.
“Applicable” means (i) with reference to any Fund, Account or Subaccount so designated and established by this Bond Resolution, the Fund, Account or Subaccount so designated and established, (ii) with respect to any Series of Bonds, the Series of Bonds issued for a particular purpose hereunder, and (iii) with respect to any Loan Agreement, the Loan Agreement entered into by and between a Borrower and the I-Bank relating to a borrowing from the I-Bank.

“Authorized Newspapers” means three general newspapers and one financial newspaper, all of which are customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation, with respect to the general newspapers, in the State of New Jersey, and with respect to the financial newspaper, in the State of New Jersey or the Borough of Manhattan, City and State of New York.

“Authorized Officer” means (i) in the case of the I-Bank, the Chairman, Vice-Chairman or Executive Director of the I-Bank, or any other person or persons designated by the Board by resolution to act on behalf of the I-Bank under this Bond Resolution; the designation of such person or persons shall be evidenced by a written Certificate containing the specimen signature of such person or persons and signed on behalf of the I-Bank by its Chairman, Vice-Chairman or Executive Director and delivered to the Trustee; (ii) in the case of a Borrower, any person or persons authorized pursuant to a resolution or ordinance of the governing body of the Borrower to perform any act or execute any document; the designation of such person or persons shall be evidenced by a certified copy of such resolution or ordinance delivered to the I-Bank and the Trustee; and (iii) in the case of the Trustee, any person or persons authorized to perform any act or execute any document; the designation of such person or persons shall be evidenced by a written Certificate containing the specimen signature of such person or persons reasonably acceptable to the I-Bank.

“Board” means the Board of Directors of the I-Bank, or if said Board shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the powers and duties granted or imposed by this Bond Resolution shall be given by law.

“Bond” or “Bonds” means one or more, as the case may be, of the Series 2018A-2 Bonds or Refunding Bonds, and all bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10 hereof.

“Bond Counsel” means a law firm, appointed by the I-Bank, having a reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

“Bondholder”, “Holder” or “holder” means any person who shall be the registered owner of a Bond or Bonds.

“Bond Resolution” means this “Environmental Infrastructure Bond Resolution, Series 2018A-2”, as adopted by the Board on September 13, 2018, and all amendments and supplements thereto adopted in accordance with the provisions hereof.

“Bond Year” means a period of 12 consecutive months beginning on September 1 of any calendar year and ending on August 31 of the immediately succeeding calendar year, except that the first bond year shall be a period commencing on the date of issuance of the initial Series of Bonds hereunder and ending on the next succeeding August 31.

“Borrower” means any Local Government Unit or Private Entity (as such terms are defined in the Regulations) authorized to construct, operate and maintain environmental infrastructure facilities and that has entered into a Loan Agreement with the I-Bank pursuant to which such Borrower will borrow money from the Project Fund that has been funded through the issuance of the Series 2018A-2 Bonds. Borrowers
shall include municipal Borrowers and authority Borrowers. The municipal Borrowers shall consist of: Bordentown City (0303001-008), Burlington City (S340140-01), Newark City (S340815-22), Pennington Borough (1108001-002) and Red Bank Borough (1340001-002). The authority Borrowers shall consist of: Cinnaminson Sewerage Authority (S340170-08), Gloucester County Utilities Authority (S340902-14), Jersey City Municipal Utilities Authority (S340928-19, S340928-22), Mantua Township Municipal Utilities Authority (0810004-002, 0810004-003), North Hudson Sewerage Authority (S340952-28), Northwest Bergen County Utilities Authority (S340700-13), Passaic Valley Sewerage Commissioners (S340689-34) and Rockaway Valley Regional Sewage Authority (S340821-09). All of the Borrowers are SRF Borrowers, other than Bordentown City (0303001-008), Mantua Township Municipal Utilities Authority (0810004-002, 0810004-003), Pennington Borough (1108001-002) and Red Bank Borough (1340001-002), each of which is a non-SRF Borrower.

“Borrower’s Project” means the project of the Borrower described in Exhibit A-1 to the Applicable Loan Agreement which constitutes a project for which the I-Bank is permitted to make a loan to the Borrower pursuant to the Act.

“Business Day” means, with respect to the Bonds of any Series, any day other than (i) a Saturday, Sunday or legal holiday or a day on which banking institutions, in the city in which the Principal Office of the I-Bank, the Trustee, the Paying Agent, or the Master Program Trustee is located, are closed, or (ii) a day on which the New York Stock Exchange is closed.

“Capitalized Interest Account” means the Account within the Debt Service Fund so designated and established by Article V hereof.

“Certificate”, “Order”, “Request”, “Requisition” and “Statement” mean, respectively, a written Certificate, order, request, requisition or statement signed in the name of the I-Bank, the Trustee or a Borrower by an Authorized Officer of the I-Bank, the Trustee or such Borrower, respectively. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

“Clearing Account” means the account so designated and established by Section 5.04(1) hereof.

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

“Cost” means those costs that are eligible, reasonable, necessary, allocable to a Borrower’s Project and permitted by generally accepted accounting principles, including Allowances and Building Costs (as defined in the Regulations), as shall be determined on a project-specific basis in accordance with the Regulations.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the I-Bank and related to the authorization, execution, issuance, sale and delivery of each Series of Bonds, including (without limitation) costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, and the Paying Agent, legal fees and charges, fees and disbursements of financial or other consultants and professionals, fees and charges for preparation, execution and safekeeping of the Bonds of such Series and any other cost, charge or fee in connection with the issuance of such Series of Bonds.
“Costs of Issuance Account” means the Account within the Operating Expense Fund so designated and established by Article V hereof.

“Counsel” means an attorney at law or firm of attorneys at law (who may be, without limitation, of counsel to, or an employee of, the I-Bank, the Trustee, the Paying Agent, the Master Program Trustee or any Borrower) duly admitted to practice law before the highest court of the State of New Jersey or otherwise qualified to practice law in the State of New Jersey.

“Debt Service Fund” means the fund so designated and established by Article V hereof.

“Default” means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default with respect to the Bonds.

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

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Series 2018A-2 Bonds.

“Event of Default” means any occurrence or event designated as such in Section 9.01.

“Fiduciary” or “Fiduciaries” means the Trustee or the Paying Agent, or both of them, as may be appropriate.

“Fund” means any Fund designated and established hereunder.

“General Fund” means the Fund so designated and established by Article V hereof.

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

“Interest Account” means the Account within the Debt Service Fund so designated and established by Article V hereof.

“Interest Payment Date” means each March 1 and September 1 until final maturity of the Bonds, commencing September 1, 2019.

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

“Investment Securities” means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the I-Bank’s funds, which securities may be obligations of the Trustee to the extent qualified hereunder:
(a) Obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof which obligations are backed by the full faith and credit of the United States. These include, but are not limited to:

(i) United States Treasury obligations – All direct or fully guaranteed obligations;

(ii) Farmers Home Administration – Certificates of beneficial ownership;

(iii) United States Maritime Administration – Guaranteed Title XI financing;

(iv) Small Business Administration – Guaranteed participation certificates; Guaranteed pool certificates;

(v) Government National Mortgage Association (GNMA) – GNMA-guaranteed mortgage-backed securities; GNMA-guaranteed participation certificates;

(vi) United States Department of Housing & Urban Development – Local authority bonds;

(vii) Washington Metropolitan Area Transit Authority – Guaranteed transit bonds;

(viii) State and Local Government Series; and

(ix) Veterans Administration – Guaranteed REMIC; Pass-through Certificates.

(b) Federal Housing Administration Debentures.

(c) Obligations of the following government-sponsored agencies that are not backed by the full faith and credit of the United States government.

(i) Federal Home Loan Mortgage Corp. (FHLMC) – Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts); Senior debt obligations;

(ii) Farm Credit System (Formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperative) – Consolidated systemwide bonds and notes;

(iii) Federal Home Loan Banks (FHL Banks) – Consolidated debt obligations;

(iv) Federal National Mortgage Association (FNMA) – Senior debt obligations; Mortgage-backed securities (Excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(v) Student Loan Marketing Association (SLMA) – Senior debt obligations (Excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date); LOC-backed issues;

(vi) Financing Corp. (FICO) – Debt obligations; and

(vii) Resolution Funding Corp. (REFCORP) – Debt obligations.
(d) Federal funds, unsecured certificates of deposit, time deposits, and banker’s acceptances having maturities of not more than 365 days of any bank (including the Trustee), the short-term obligations of which are rated in the highest rating category for short term obligations by at least one Rating Agency.

(e) Deposits that are fully insured by the Federal Deposit Insurance Corp. (FDIC), including Bank Insurance Fund (BIF) and Savings Association Insurance Fund (SAIF). To the extent that such deposits are not insured by FDIC, such deposits shall be fully collateralized by the obligations described in any of paragraphs (a), (b) or (c) of this definition.

(f) (i) Debt obligations rated in the highest rating category for debt obligations by at least one Rating Agency. Excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date.

(ii) Pre-refunded municipal securities rated in the highest rating category for municipal securities by at least one Rating Agency.

(g) Commercial paper or other debt obligations rated in the highest rating category for commercial paper or debt obligations by at least one Rating Agency maturing in not more than 365 days.

(h) Investment in money market funds, with a stable net asset value per share, rated in the highest rating category for money market funds by at least one Rating Agency (including such money markets funds managed by the Trustee or any of its affiliates).

(i) Any of the following stripped securities:

   (i) United States Treasury STRIPS;

   (ii) REFCORP STRIPS (stripped by the Federal Reserve Bank of New York); and

   (iii) Any stripped securities assessed or rated in the highest rating category for stripped securities by at least one Rating Agency.

(j) Repurchase agreements, provided that such repurchase agreements satisfy each of the following requirements:

   (i) The counterparty to the repurchase agreement is rated no lower than “Aa” by Moody’s Investors Service, Inc., “AA” by Standard & Poor’s Corporation or “AA” by Fitch Ratings, Inc. (without reference to any gradation within such rating category);

   (ii) The weighted average maturity of the repurchase agreement is not longer than the lesser of the estimated average period required to complete construction of the Projects or five years from the date the repurchase agreement is entered into;

   (iii) The seller of the repurchase agreement is (A) a bank or trust company or a wholly-owned subsidiary of such bank or trust company which is headquartered in the United States and is a member of the Federal Reserve System or (B) a securities broker which is headquartered in the United States, is registered with the Securities and Exchange Commission, and meets the criteria for issuers of “commercial paper” as specified under N.J.A.C. 17:16-31;

   (iv) The collateral for the repurchase agreement consists of obligations of the
United States Government or an obligation of the following United States Government agencies:

(A) Federal Farm Credit Banks Consolidated Systemwide Bonds;
(B) Federal Financing Bank;
(C) Federal Home Loan Banks; and
(D) Federal Land Banks;

(v) At the time the repurchase agreement is purchased, the market value of the securities delivered as collateral pursuant to the repurchase agreement is equal to at least 102 percent of the par value of the repurchase agreement; and

(vi) The repurchase agreement shall be purchased pursuant to a competitively bid process.

(k) Such other securities approved by each of the Rating Agencies that would not adversely affect the rating on the Coverage Receiving Trust Bonds then Outstanding.

“Loan” means a loan by the I-Bank to a Borrower, pursuant to a Loan Agreement, to finance or refinance a portion of the Cost of such Borrower’s Project. For all purposes of this Bond Resolution, the principal amount of each Loan shall be the principal amount specified in the applicable bond of a Borrower issued in accordance with the Applicable Loan Agreement.

“Loan Agreement” means a loan agreement that is entered into by and between the I-Bank and a Borrower, in substantially the form attached hereto as Exhibit A, in the case of a Borrower that is a municipality or a county, or Exhibit B, in the case of a Borrower that is a municipal, county or regional sewerage or utilities authority or commission or other political subdivision (other than a municipality or a county), authorized to construct, operate and maintain environmental infrastructure facilities, with such changes therein as the Authorized Officer of the I-Bank who executes such Loan Agreement may approve as necessary and desirable, including, but not limited to, changes intended to reflect the nature of the Borrower, and as such Loan Agreement may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of this Bond Resolution.

“Loan Closing” means the date on which an executed Loan Agreement between the I-Bank and a Borrower is delivered pursuant to this Bond Resolution.

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

“Master Program Trust Account” means the account and all subaccounts therein created pursuant to Section 3 of the Master Program Trust Agreement to be held by the Master Program Trustee in trust as additional security for the Holders of the Series 2018A-2 Bonds and all other Coverage Receiving Trust Bonds as defined in the Master Program Trust Agreement.

“Master Program Trust Agreement” means that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the Trust, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder,
as amended and supplemented by (i) that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2001, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the I-Bank, and (ii) that certain First General Amendment to Master Program Trust Agreement, dated as of September 1, 2006, by and among, the I-Bank, the State, the Master Program Trustee, The Bank of New York, in several capacities thereunder, U.S. Bank National Association, in several capacities thereunder, and Commerce Bank, National Association, as Loan Servicer, as the same may be amended and supplemented from time to time in accordance with its terms.

“Master Program Trustee” means U.S. Bank Trust National Association (as successor to State Street Bank and Trust Company, N.A.), appointed pursuant to Section 2 of the Master Program Trust Agreement, and its successors as may be appointed pursuant to the provisions thereof.

“Net Earnings” means, with respect to any Fund, Account or Subaccount, or any portion thereof, all interest, profits and other income earned and received by the Trustee and the I-Bank, as appropriate, in respect of such Fund, Account, Subaccount or portion thereof, net of (i) any losses suffered, (ii) any fees due to the Trustee, the provider of an Investment Security, or, at the written direction of an Authorized Officer of the I-Bank, the financial advisor or investment advisor to the I-Bank in connection with an Investment Security held in such Fund, Account or Subaccount, and (iii) any amounts required to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service pursuant to any letter of instructions or certificate as to arbitrage.

“Notice of Sale” means the Notice of Sale of the I-Bank relating to the sale of the Series 2018A-2 Bonds to be dated on or about November 13, 2018, substantially in the form attached hereto as Exhibit D.

“Operating Expense Fund” means the Fund so designated and established by Article V hereof.

“Outstanding” or “outstanding” means, when used with reference to Bonds of any Series, as of any particular date (subject to the provisions of Section 14.08), all Bonds of such Series theretofore, or thereupon being, authenticated and delivered by the Trustee under this Bond Resolution, except (i) Bonds of such Series theretofore or thereupon canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds of such Series with respect to which all liability of the I-Bank shall have been discharged in accordance with Article XII; and (iii) Bonds of such Series in lieu of or in substitution for which other Bonds of such Series shall have been authenticated and delivered by the Trustee pursuant to any provision of this Bond Resolution.

“Paying Agent” means the Paying Agent appointed pursuant to Section 10.02, and its successors.

“Principal Account” means the Account within the Debt Service Fund so designated and established by Article V.

“Principal Office” means, when used with reference to the I-Bank, the Trustee, or the Paying Agent, the respective addresses of such parties as set forth in Section 14.07, and any further or different addresses as such parties may designate pursuant to Section 14.07.

“Project Fund” means the Fund so designated and established by Article V hereof.

“Project Loan Account” means any of the Accounts within the Project Fund so designated and established by Article V.
“Rating Agency” shall mean individually or collectively, as the case may be, the nationally recognized rating agencies that have published ratings for the Series 2018A-2 Bonds.

“Rebate Fund” means the Fund so designated and established by Article V hereof.

“Record Date” means with respect to an Interest Payment Date for a particular Series of Bonds, unless otherwise provided by this Bond Resolution or Supplemental Resolution authorizing such Series, (i) if the Interest Payment Date is scheduled for the first (1st) day of any month, the fifteenth (15th) day (whether or not such day shall be a Business Day) of the month prior to such Interest Payment Date, or (ii) if the Interest Payment Date is scheduled for the fifteenth (15th) day of any month, the first (1st) day (whether or not such day shall be a Business Day) of the month in which such Interest Payment Date occurs.

“Redemption Account” means the Account within the Debt Service Fund so designated and established pursuant to Article V hereof.

“Redemption Price” means, when used with reference to any Bond or any portion thereof, the principal amount of such Bond or such portion thereof and any premium thereon payable upon redemption thereof pursuant to the provisions of such Bond and this Bond Resolution.

“Refunding Bonds” means all Bonds authenticated and delivered pursuant to Section 2.04 hereof.

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

“Revenues” means all (i) Loan Repayments and State Loan Repayments that are held by the Trustee, (ii) payments made to the Trustee by the Master Program Trustee from amounts on deposit in the Master Program Trust Account (and all Subaccounts as defined therein) in accordance with the terms of the Master Program Trust Agreement, and (iii) proceeds derived from the foregoing, including, without limitation, investment income received by the I-Bank on such Loan Repayments and State Loan Repayments; provided, however, that Revenues shall not include payments of the Administrative Fee payable to the I-Bank under Section 3.03 of the Loan Agreements nor any State Administrative Fees included as part of any State Loan Repayment, to the extent any such amounts are credited as Administrative Fees or State Administrative Fees pursuant to Section 5.04(2) hereof.

“Revenue Fund” means the Fund so designated and established by Article V hereof.

“Rule 15c2-12” shall have the meaning ascribed to such term in Section 6.06 hereof.

“SEC” shall have the meaning ascribed to such term in Section 6.06 hereof.

“Series” means all of the Bonds authenticated and delivered on original issuance and identified pursuant to this Bond Resolution or the Supplemental Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

“Series 2018A-2 Bonds” means the $________ aggregate principal amount of the I-Bank’s “Environmental Infrastructure Bonds, Series 2018A-2” authorized pursuant to Section 2.03 hereof.
“Sinking Fund Installments”, with respect to any Series of Bonds, shall have the meaning, if any, specified in either Section 2.03(6) of this Bond Resolution or the Applicable Supplemental Resolution.

“SRF”, with respect to any Fund, Account or Subaccount established under this Bond Resolution, means that such Fund, Account or Subaccount constitutes part of, and with respect to any Borrower, means a Borrower whose loan will be funded from, either, as applicable and as the case may be, (i) the State Revolving Fund of the State of New Jersey established pursuant to the federal Water Quality Act of 1987, as amended, and (ii) the State Revolving Fund of the State of New Jersey established pursuant to the federal Safe Drinking Water Act, as amended.

“State” means the State of New Jersey, acting by and through the Department.

“SRF” means that such Fund, Account or Subaccount constitutes part of, and with respect to any Borrower, means a Borrower whose loan will be funded from, either, as applicable and as the case may be, (i) the State Revolving Fund of the State of New Jersey established pursuant to the federal Water Quality Act of 1987, as amended, and (ii) the State Revolving Fund of the State of New Jersey established pursuant to the federal Safe Drinking Water Act, as amended.

“State Administrative Fee” means the administrative fee, if any, as the State may approve from time to time, payable by each Borrower in accordance with the terms of its State Loan Agreement.

“State Loan Agreement” means a loan agreement that is entered into by and between the State and a Borrower, pursuant to which a companion zero-interest loan is made by the State to finance, in part, such Borrower’s Project.

“State Loan Repayment” means any payment by a Borrower of the principal due and payable pursuant to its State Loan Agreement.

“Subaccount” means any subaccount designated and established hereunder.

“Supplemental Resolution” means any resolution or resolutions of the I-Bank amending, modifying or supplementing this Bond Resolution, authorizing the issuance of a Series of Refunding Bonds, or any other Supplemental Resolution adopted by the I-Bank pursuant to the provisions of this Bond Resolution.

“Tax Certificate”, with respect to the Series 2018A-2 Bonds, means the “Tax Certificate as to Arbitrage and Instructions as to Compliance with the Provisions of Section 103(a) of the Internal Revenue Code of 1986, as Amended,” executed and delivered by an Authorized Officer of the I-Bank on the date of issuance of the Series 2018A-2 Bonds, as the same may be supplemented and amended from time to time.

“Trustee” means the trustee appointed pursuant to Section 10.01, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Bond Resolution.

“Trust Estate” means (i) all right, title and interest of the I-Bank in, to and under the Loan Agreements, except for the I-Bank’s right, title and interest in the Administrative Fee, (ii) any other Revenues not included within clause (i) of this definition, and (iii) all funds, accounts and subaccounts established by this Bond Resolution, other than the Project Loan Accounts in the Project Fund, the Administrative Fee Account and the Costs of Issuance Account in the Operating Expense Fund, and the Rebate Fund, including investments, if any, thereof, as the same are hereby pledged and assigned, subject only to the provisions of this Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Bond Resolution.

SECTION 1.02. Rules of Interpretation. For all purposes of this Bond Resolution, except as otherwise expressly provided or unless the context otherwise requires:
1. “This Bond Resolution” means this instrument as originally adopted and as it may be supplemented, modified or amended from time to time by any Supplemental Resolution, unless in the case of any one or more Supplemental Resolutions the context requires otherwise.

2. All reference in this Bond Resolution to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Bond Resolution. The words “herein”, “hereof”, “hereunder” and “herewith” and other words of similar import refer to this Bond Resolution as a whole and not to any particular Article, Section or other subdivision hereof.

3. The terms defined in this Bond Resolution include the plural as well as the singular.

4. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

5. The table of contents and the headings or captions used in this Bond Resolution are for convenience of reference only and shall not define, limit or prescribe any of the provisions hereof or the scope or intent hereof.

SECTION 1.03. Authority for Bond Resolution and Delegation. This “Environmental Infrastructure Bond Resolution, Series 2018A-2” is adopted pursuant to the provisions of the Act and constitutes a resolution authorizing bonds pursuant to the Act.

Certain information to be set forth herein will not be available and/or has not been finalized at the time of the adoption hereof and will only be known upon the sale of the Series 2018A-2 Bonds. All information relating to the sale and award of the Series 2018A-2 Bonds in accordance with the terms of the Notice of Sale (including, without limitation, all information, if any, relating to the designation of the Series 2018A-2 Bonds as “Green Bonds”) and the final identification, categorization and related dates of certain Borrowers (including, without limitation, the elimination of one or more thereof), including, without limitation, the amounts and interest rates in the chart set forth in Section 2.03(2) hereof (provided that the aggregate cost of the Borrower Projects to be financed with proceeds of the Series 2018A-2 Bonds, exclusive of I-Bank costs of issuance, bond insurance, underwriter’s discount, original issue discount, reserve capacity, capitalized interest and any other related cost shall not exceed $26,000,000 (the “Aggregate Borrower Preliminary Project Cost Amount”)), the optional redemption provisions in Section 2.03(5) hereof, the Sinking Fund Installments in Section 2.03(6) hereof, if any, the amounts set forth in Section 2.03(7)(a), (b) and (c) hereof, the information set forth in Section 2.03(8) hereof, the information set forth in Exhibit F, and the allocation of Revenues pursuant to the provisions of Section 5.04 hereof, shall be revised or inserted (as the case may be) subsequent to the time of adoption hereof and shall be deemed to be a part hereof, as if fully set forth herein at the time of adoption thereof. The Authorized Officers of the I-Bank, in consultation with Bond Counsel, general counsel and other appropriate advisors to the I-Bank, shall be and hereby are severally authorized and directed to revise or insert (as the case may be) such information subsequent to the time of adoption hereof.

Notwithstanding the above, such information must be revised or inserted (as the case may be) in this Bond Resolution no later than the Loan Closing. In addition, the interest cost, principal amount, purchase price, bidding parameters and other financial parameters set forth in the Notice of Sale in the form attached hereto may be amended, modified, supplemented or deleted by the Authorized Officers of the I-Bank, after consultation with Bond Counsel, general counsel and other appropriate advisors to the I-Bank, at any time prior to the sale of the Series 2018A-2 Bonds. Notwithstanding the foregoing, any such changes to be made pursuant to this paragraph shall be subject to the following limitations: (i) the true interest cost of the Series 2018A-2 Bonds shall be as low as practicable given the structuring requirements therefor, but in any event shall not exceed 5.00% per annum for the Series 2018A-2 Bonds, and (ii) the proceeds of the Series 2018A-2 Bonds shall produce
sufficient moneys to fund, together with Net Earnings thereon, the Aggregate Borrower Preliminary Project Cost Amount, plus all additional items set forth above.

Notwithstanding the provisions of this Bond Resolution to the contrary, the letter designation incorporated into the title of this Bond Resolution may be revised by the Authorized Officers of the I-Bank, after consultation with Bond Counsel, general counsel and other appropriate advisors to the I-Bank, for the purpose of maintaining the sequential letter designations among this Bond Resolution and other resolutions that may be simultaneously adopted by the I-Bank.

The Authorized Officers of the I-Bank are hereby severally authorized and directed, in consultation with Bond Counsel, general counsel to the I-Bank, other appropriate advisors to the I-Bank, and after notification to any officials whose approval is a condition precedent to the adoption of this Bond Resolution, to insert such changes, subsequent to the time of adoption hereof, as shall be deemed necessary, desirable or convenient in order to achieve a rating for the Series 2018A-2 Bonds or any Refunding Bonds, as the case may be, from each Rating Agency that has been requested by the I-Bank to publish a rating for the Series 2018A-2 Bonds or any Refunding Bonds, as the case may be, that shall consist of the then highest rating (or as close to the then highest rating as may be possible) that is assigned to any such debt instruments by such Rating Agencies. Notwithstanding the above, any such changes must be inserted in this Bond Resolution no later than the Loan Closing.

SECTION 1.04. Bond Resolution and Bonds Constitute a Contract; Pledge of Trust Estate; Interest in Master Program Trust Account. With respect to the Bonds, in consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under this Bond Resolution by those who shall hold the same from time to time: (i) this Bond Resolution shall be deemed to be and shall constitute a contract between the I-Bank, the Trustee and the Holders, from time to time, of such Bonds; (ii) the pledge made herein and the duties, covenants, obligations and agreements set forth herein to be observed and performed by or on behalf of the I-Bank and the Trustee shall be for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority, or distinction as to lien or otherwise, except as expressly provided in or permitted hereby; (iii) the I-Bank, as security for the payment of the principal and Redemption Price, if any, of, and the interest on, the Bonds and as security for the observance and performance of any other duty, covenant, obligation or agreement of the I-Bank under this Bond Resolution all in accordance with the provisions thereof and hereof, does hereby grant a security interest in and further does grant, bargain, sell, convey, pledge, assign and confirm to the Trustee the Trust Estate; (iv) the pledge made hereby is valid and binding from the time when the pledge is made and the Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the I-Bank irrespective of whether such parties have notice thereof; (v) the Bonds shall be special obligations of the I-Bank payable solely (except as set forth in clause (vi) hereof) from and secured by a pledge of the Trust Estate as provided hereby; and (vi) the Bonds shall be additionally secured by the interest of the Trustee (as Fiduciary on behalf of the Bondholders pursuant to the terms hereof) in and to the Master Program Trust Account, as defined in, to the extent, in the amounts and at the times set forth in the Master Program Trust Agreement. Loan Repayments and State Loan Repayments that do not constitute Revenues are not subject to the lien of the pledge created hereby.

Nothing in this Bond Resolution expressed or implied is intended or shall be construed to confer upon, or give or grant to, any person or entity, other than the I-Bank, the Trustee, the Paying Agent and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Bond Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Bond Resolution contained by and on behalf of the I-Bank shall be for the sole and exclusive benefit of the I-Bank, the Trustee, the Paying Agent and the registered owners of the Bonds.

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ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.01. Authorization of Bonds; Designation of Bonds of Series.

1. This Bond Resolution authorizes Bonds of the I-Bank to be designated as “Environmental Infrastructure Bonds” which may be issued from time to time in one or more Series. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under this Bond Resolution is not limited except as may hereafter be provided in this Bond Resolution or as may be limited by law.

2. The Bonds may, if and when authorized by the I-Bank pursuant hereto or pursuant to one or more Supplemental Resolutions, be issued in one or more Series, and the designation thereof, in addition to the name “Environmental Infrastructure Bonds” shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the I-Bank may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. Neither the State of New Jersey nor any political subdivision thereof, other than the I-Bank, but solely to the extent of the Trust Estate, is obligated to pay the principal or Redemption Price of, or interest on, the Bonds, and neither the faith and credit nor the taxing power of the State, or any political subdivision thereof, is pledged to the payment of the principal or Redemption Price of, or interest on, the Bonds.

SECTION 2.02. General Provisions for Issuance of Bonds.

1. All (but not less than all) of the Bonds of each Series shall be executed by the I-Bank for issuance under this Bond Resolution and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the I-Bank or upon its order, but only upon the receipt by the Trustee of:

   (a) A copy of this Bond Resolution, certified by an Authorized Officer of the I-Bank;

   (b) In the case of each Series of Refunding Bonds, a copy of the Supplemental Resolution authorizing such Refunding Bonds, certified by an Authorized Officer of the I-Bank, which shall, among other provisions, specify: (i) the authorized principal amount, designation and Series of such Refunding Bonds; (ii) the purposes for which such Series of Bonds is being issued, which shall be the refunding of Bonds as provided in Section 2.04; (iii) the date, and the maturity date or dates, of the Refunding Bonds of such Series, provided that each maturity date shall fall upon September 1; (iv) the interest rate or rates of the Refunding Bonds of such Series and the initial Interest Payment Date therefor, provided that the interest rate shall be identical for all such Refunding Bonds of like maturity; (v) the denominations of, and the manner of dating, numbering and lettering, the Refunding Bonds of such Series, provided that such Refunding Bonds shall be in denominations of $5,000 or any integral multiple thereof as authorized by such Supplemental Resolution; (vi) the Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Refunding Bonds of such Series; (vii) the Redemption Price or Prices, if any, and, subject to Article IV, the redemption terms for the Refunding Bonds of such Series; (viii) the amount and due date of each Sinking Fund Installment, if any, for Refunding Bonds of like maturity of such Series, provided that each Sinking Fund Installment due date shall fall upon a September 1; (ix) the form of the Refunding Bonds of such Series and of the Trustee’s certificate of authentication, which shall be substantially in the form set forth in Section 14.01 for the Series 2018A-2 Bonds with such variations, insertions or omissions as are appropriate and not
inconsistent therewith; and (x) the provisions for the application of proceeds of such Series of Refunding Bonds;

(c) An opinion of Bond Counsel to the effect that (i) the I-Bank has the power under the Act, as amended to the date of such opinion, to adopt this Bond Resolution, and this Bond Resolution has been duly and lawfully adopted by the I-Bank, is in full force and effect and constitutes the valid and binding agreement of the I-Bank enforceable in accordance with its terms, and no other authorization for this Bond Resolution is required; (ii) this Bond Resolution creates the valid pledge which it purports to create of the Trust Estate, subject only to the provisions of this Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Bond Resolution; and (iii) the I-Bank is duly authorized and entitled to issue the Bonds of such Series and such Bonds have been duly and validly authorized and issued by the I-Bank, in accordance with law, including the Act, as amended to the date of such opinion, and in accordance with this Bond Resolution, and constitute the valid and binding obligations of the I-Bank as provided in this Bond Resolution, enforceable in accordance with their terms and the terms of this Bond Resolution, and are entitled to the benefits of the Act, as amended to the date of such opinion, and this Bond Resolution. Such opinion may take exception as to the effect of, or for restrictions or limitation or other similar laws affecting creditors’ rights generally and judicial discretion and the valid exercise of the sovereign police powers of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy;

(d) A written order to the Trustee as to the authentication and delivery of such Bonds, signed by an Authorized Officer of the I-Bank;

(e) Reserved;

(f) With respect to the Series 2018A-2 Bonds only, a Certificate of the Authorized Officer of the I-Bank stating that the information contemplated by Section 1.03 hereof has been inserted in this Bond Resolution in accordance with the terms and provisions of Section 1.03 hereof;

(g) A fully executed copy of the Master Program Trust Agreement; and

(h) Such further documents, moneys and securities (including, without limitation, the proceeds of the Bonds of each such Series) as are required by the provisions of Sections 2.03, 2.04 or 6.04 or Article XI or any Supplemental Resolution adopted pursuant to Article XI.

2. All the Bonds of each such Series of like maturity shall be identical in all respects, except as to denominations, numbers and letters. After the original issuance of Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Sections 4.07 or 11.10.

SECTION 2.03. Series 2018A-2 Bonds.

1. A Series of Bonds entitled to the benefit, protection and security of this Bond Resolution is hereby authorized in the aggregate principal amount of $___________ for the purpose of funding the Loans to be made pursuant to the Loan Agreements. Such Series of Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, “Environmental Infrastructure Bonds, Series 2018A-2”; provided, however, that, in the event that an Authorized Officer determines, after consultation with Bond Counsel and the Office of the Attorney General of the State, that it is in the best interests of the I-Bank to designate such Series of Bonds as “Green Bonds”, such Series of Bonds shall be designated by the title, “Environmental Infrastructure Bonds, Series 2018A-2 (Green Bonds)”.

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2. The Series 2018A-2 Bonds shall be dated and shall bear interest from November 29, 2018 until their final maturity thereof, except as otherwise provided in Section 3.01 of this Bond Resolution. The Series 2018A-2 Bonds shall mature on the dates and in the principal amounts, and shall bear interest payable semiannually on March 1 and September 1 in each year, commencing September 1, 2019, until final maturity (stated or otherwise) thereof, at the respective rates per annum calculated on the basis of twelve 30-day months, shown below:

<table>
<thead>
<tr>
<th></th>
<th>Amount Maturing ($)</th>
<th>Interest Rate (%)</th>
<th></th>
<th>Amount Maturing ($)</th>
<th>Interest Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 1</td>
<td>2020</td>
<td>2021</td>
<td>2022</td>
<td>2023</td>
<td>2024</td>
</tr>
<tr>
<td>2035</td>
<td>2036</td>
<td>2037</td>
<td>2038</td>
<td>2039</td>
<td>2040</td>
</tr>
</tbody>
</table>

3. Individual purchases of the Series 2018A-2 Bonds may be made in the principal amount of $5,000 or any whole multiples of $5,000. The Series 2018A-2 Bonds shall be initially issued in one certificate for each aggregate principal amount of the stated maturity thereof. Unless the I-Bank shall otherwise direct, the Series 2018A-2 Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letter “R” and such other letter as determined by the Trustee prefixed to the number. Subject to the provisions of this Bond Resolution, the form of the Series 2018A-2 Bonds and the Trustee’s certificate of authentication shall be substantially in the form set forth in Section 14.01.

4. The principal or Redemption Price of the Series 2018A-2 Bonds shall be payable to the Holders thereof upon presentation and surrender thereof at the Principal Office of ZB, National Association d/b/a Zions Bank, as Trustee, or its successors and assigns. The principal or Redemption Price of all Series 2018A-2 Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Trustee or Trustees as permitted by this Bond Resolution. Interest on the Series 2018A-2 Bonds shall be payable by check or draft of the Trustee, mailed or transmitted, respectively, to the Holders thereof as the same appear as of the Record Date on the books of the I-Bank maintained by the Trustee. However, so long as the Series 2018A-2 Bonds are held in book-entry-only form pursuant to Section 2.05 hereof, the provisions of Section 2.05 shall govern the payment of principal or Redemption Price, if any, of, and interest on, the Series 2018A-2 Bonds.

5. The Series 2018A-2 Bonds maturing on or before September 1, 2028 shall not be subject to redemption prior to their respective stated maturity dates. The Series 2018A-2 Bonds maturing on or after September 1, 2029 shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, 2028, at the option of the I-Bank, upon the terms set forth in this subsection and upon notice as provided in Article IV hereof, either in whole or in part, and if in part by lot within any maturity
or maturities determined by the I-Bank, on any date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.

6. The Series 2018A-2 Bonds due September 1, ____ and September 1, ____ are subject to mandatory sinking fund redemption prior to their respective stated maturities, upon the surrender thereof and through selection by lot by the Trustee and upon the giving of notice as provided in Article IV hereof, by payment of the following “Sinking Fund Installments”, on September 1, in each year set forth below, at a Redemption Price which is equal to 100% of the principal amount thereof plus interest accrued to the redemption date, in the following aggregate principal amounts in the following years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Final maturity]*

[The Series 2018A-2 Bonds shall not be subject to mandatory sinking fund redemption prior to their respective stated maturities.]

7. The proceeds of the Series 2018A-2 Bonds of $________ (par amount of the Series 2018A-2 Bonds of $______ (which includes the good faith deposit of the successful bidder for the Series 2018A-2 Bonds in the amount of $____.000.00 in accordance with Section 1.03 hereof), plus net original issue premium of $______, less underwriter’s discount of $______) shall be received by the Trustee and applied simultaneously with the delivery of such Bonds as follows:

(a) There shall be deposited (i) in the SRF Subaccount of the Capitalized Interest Account in the Debt Service Fund $______, attributable to SRF Borrowers that are capitalizing interest, for application to the payment of a portion of the interest to accrue on the Series 2018A-2 Bonds from November 29, 2018 through and including ____________, of which $________ shall be deposited in the Clean Water SRF Subaccount, and $________ shall be deposited in the Drinking Water SRF Subaccount, and (ii) in the non-SRF Subaccount of the Capitalized Interest Account in the Debt Service Fund $______, attributable to non-SRF Borrowers that are capitalizing interest, for application to the payment of a portion of the interest to accrue on the Series 2018A-2 Bonds from November 29, 2018 through and including ____________, of which $________ shall be deposited in the Clean Water non-SRF Subaccount, and $________ shall be deposited in the Drinking Water non-SRF Subaccount. [No Borrowers are capitalizing interest; therefore, there shall be no deposit to the Capitalized Interest Account in the Debt Service Fund.]

(b) There shall be deposited in the Costs of Issuance Account in the Operating Expense Fund an amount equal to $______, of which $______ shall be transferred by the Trustee immediately via wire transfer to the account of the I-Bank, in accordance with the wire instructions provided by the I-Bank to the Trustee, for application by the I-Bank to the payment of certain Costs of Issuance incurred in
connection with the issuance of the Series 2018A-2 Bonds; $0.00 shall be deposited in the Administrative Fee Account of the Operating Expense Fund;

(c) There shall be deposited in the Rebate Fund an amount equal to $______, which shall be deposited in the General Rebate Account;

(d) Reserved;

(e) There shall be deposited in the General Fund $______, (i) $______ of which shall be transferred to the SRF Account within the General Fund, $______ of which shall be deposited in the Clean Water SRF Subaccount and $_______ of which shall be deposited in the Drinking Water SRF Subaccount; and (ii) $______ of which shall be transferred to the non-SRF Account within the General Fund, $______ of which shall be deposited in the Clean Water non-SRF Subaccount and $_______ of which shall be deposited in the Drinking Water non-SRF Subaccount;

(f) The remaining balance of the proceeds of the Series 2018A-2 Bonds in the amount of $______ shall be deposited in the Project Fund on behalf of each Borrower, such aggregate amount to be allocated in each of the individual respective amounts and among each of the individual Project Loan Accounts that are designated below, respectively, as (i) Clean Water SRF Project Loan Accounts, (ii) Drinking Water SRF Project Loan Accounts, (iii) Clean Water non-SRF Project Loan Accounts and (iv) Drinking Water non-SRF Project Loan Accounts. An aggregate of $______ shall be allocated to the Clean Water SRF Project Loan Accounts; an aggregate of $______ shall be allocated to the Drinking Water SRF Project Loan Accounts; an aggregate of $______ shall be allocated to the Clean Water non-SRF Project Loan Accounts; and an aggregate of $______ shall be allocated to the Drinking Water non-SRF Project Loan Accounts.

**Clean Water SRF Project Loan Accounts:**
- Burlington City (S340140-01) (Clean Water)
- Cinnaminson Sewerage Authority (S340170-08) (Clean Water)
- Gloucester County Utilities Authority (S340902-14) (Clean Water)
- Jersey City Municipal Utilities Authority (S340928-19, S340928-22) (Clean Water)
- Newark City (S340815-22) (Clean Water)
- North Hudson Sewerage Authority (S340952-28) (Clean Water)
- Northwest Bergen County Utilities Authority (S340700-13) (Clean Water)
- Passaic Valley Sewerage Commissioners (S340689-34) (Clean Water)
- Rockaway Valley Regional Sewerage Authority (S340821-09) (Clean Water)
**Total:**

**Drinking Water SRF Project Loan Accounts:**
None.

**Clean Water Non-SRF Project Loan Accounts:**
None.

**Drinking Water Non-SRF Project Loan Accounts:**
- Bordentown City (0303001-008) (Drinking Water)
- Mantua Township Municipal Utilities Authority (0810004-002, 0810004-003) (Drinking Water)
- Pennington Borough (1108001-002) (Nano) (Drinking Water)
- Red Bank Borough (1340001-002) (Drinking Water)
**Total:**

$
8. Reserved.

9. Upon the authentication and delivery of the Series 2018A-2 Bonds, the I-Bank shall furnish to the Trustee:

   (a) a Certificate of the Chairman, Executive Director or other Authorized Officer of the I-Bank, pursuant to Section 148 of the Code, setting forth the expectations of the I-Bank on the date of such authentication and delivery as to future events and such certification shall set forth the facts and estimates on which such expectations are based and shall state that to the best of the knowledge and belief of such officer of the I-Bank, the I-Bank’s expectations are reasonable;

   (b) an opinion of Bond Counsel to the effect that under existing law (i) interest on the Series 2018A-2 Bonds is excluded from gross income for federal income tax purposes, and (ii) interest on the Series 2018A-2 Bonds and any gain on the sale thereof are excluded from gross income under the New Jersey Gross Income Tax Act; and

   (c) an opinion of Counsel to the effect that the I-Bank has the right and power under the Act, as amended, to the date of such opinion, to enter into the Loan Agreements, and the Loan Agreements have been duly and lawfully authorized and executed by the I-Bank, are in full force and effect and are valid and binding upon the I-Bank and enforceable in accordance with their terms, and no other authorization for the Loan Agreements is required; provided, that the opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors’ rights generally and judicial discretion and the valid exercise of the sovereign police powers of the State of New Jersey and of the constitutional powers of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy, but that such limitations do not make the rights and remedies of the Bondholders, taken as a whole, inadequate for the practical realization of the benefits of the Loan Agreements.

SECTION 2.04. Refunding Bonds.

1. One or more Series of Refunding Bonds may be issued at any time to refund any Outstanding Bond or Bonds of a particular Series or all of the Bonds of one or more Series. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the funds and accounts under this Bond Resolution required by the provisions of the Supplemental Resolution authorizing such Bonds. Refunding Bonds shall be on a parity with and, except as otherwise provided in the Applicable Supplemental Resolution for such Refunding Bonds, shall be entitled to the same benefit and security of this Bond Resolution including the pledge of the Trust Estate as the Bonds of the Series of Bonds which are being refunded.

2. Refunding Bonds of each Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02) of:

   (a) Instructions to the Trustee, satisfactory to it, to give due notice of redemption, if applicable, of all the Bonds to be refunded on a redemption date or dates specified in such instructions, subject to the provisions of Section 12.01;

   (b) If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 12.01 to the Holders of the Bonds being refunded;
(c) Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded together with accrued interest on such Bonds to the redemption date or dates, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) qualifying Investment Securities in such principal amounts of such maturities, bearing such interest and otherwise having such terms and qualifications and any moneys as shall be necessary to comply with the provisions of subsection 2 of Section 12.01, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 of Section 12.01;

(d) A Certificate of an Authorized Officer of the I-Bank demonstrating that the I-Bank Bond Loan Repayments to become due in each Bond Year during which such Refunding Bonds shall be Outstanding shall be sufficient to pay when due the principal or Redemption Price of, and interest on, all Bonds Outstanding upon the authentication and delivery of such Series of Refunding Bonds;

(e) A verification report of an independent nationally recognized certified public accountant addressed to the I-Bank and the Trustee with respect to the matters set forth in (c) and (d) hereof; and

(f) In the event that a forward supply contract is employed in connection with the matters set forth in (c) and (d) hereof, (i) the verification report required by (e) hereof shall expressly state that the adequacy of the irrevocable trust described in (c) hereof to accomplish the issuance of Refunding Bonds relies solely on the initial investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the escrow agreement entered into by the I-Bank pursuant to (c) hereof shall provide that in the event of any discrepancy or differences between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

3. The proceeds, including accrued interest, if any, of the Refunding Bonds of each Series shall be applied simultaneously with the delivery of such Refunding Bonds for the purposes of making deposits, if any, in such Funds and Accounts as shall be provided by the Supplemental Resolution authorizing such Series of Refunding Bonds and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Resolution.

SECTION 2.05. Book-Entry-Only System.

1. Except as provided in subparagraph 3 of this Section 2.05, the registered Holder of all of the Series 2018A-2 Bonds shall be, and the Series 2018A-2 Bonds shall be registered in the name of, Cede & Co. as nominee of DTC. Payment of semiannual interest for any Series 2018A-2 Bond shall be made by wire transfer to the account of Cede & Co. on the Interest Payment Date for the Series 2018A-2 Bonds at the address indicated for Cede & Co. in the registry books of the I-Bank kept by the Trustee.

2. The Series 2018A-2 Bonds shall be issued initially in the form of a separate single fully registered Bond in the amount of the aggregate principal amount of each separate stated maturity of the Series 2018A-2 Bonds. Upon initial issuance, the ownership of each such Series 2018A-2 Bond shall be registered in the registry books of the I-Bank kept by the Trustee in the name of Cede & Co., as nominee of DTC. With respect to Series 2018A-2 Bonds registered in the registry books kept by the Trustee in the name of Cede & Co., as nominee of DTC, the I-Bank and any Fiduciary shall have no responsibility or obligation to any participant or to any beneficial owner of such Series 2018A-2 Bonds. Without limiting the immediately preceding sentence, the I-Bank and any Fiduciary shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any participant with respect to any beneficial ownership interest in the Series 2018A-2 Bonds, (ii) the delivery to any participant, any beneficial
owner or any other person, other than DTC, of any notice with respect to the Series 2018A-2 Bonds, including any notice of redemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than DTC, of any amount with respect to the principal or Redemption Price of, or interest on, the Series 2018A-2 Bonds. The I-Bank and any Fiduciary may treat as, and deem DTC to be, the absolute owner of each Series 2018A-2 Bond for the purpose of payment of the principal or Redemption Price of, and interest on, each such Series 2018A-2 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2018A-2 Bonds, for the purpose of registering transfers with respect to such Series 2018A-2 Bonds and for all other purposes whatsoever. The Paying Agent shall pay all principal or Redemption Price of, and interest on, the Series 2018A-2 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the I-Bank’s obligations with respect to the principal or Redemption Price of, and interest on, the Series 2018A-2 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive a Series 2018A-2 Bond evidencing the obligation of the I-Bank to make payments of principal or Redemption Price of, and interest on, the Series 2018A-2 Bonds pursuant to this Bond Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the term “Cede & Co.” in this Bond Resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to the Series 2018A-2 Bonds at any time by giving written notice to the I-Bank and the Fiduciaries and discharging its responsibilities with respect thereto under applicable law.

(b) The I-Bank, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2018A-2 Bonds if the I-Bank so determines, and shall terminate the services of DTC with respect to the Series 2018A-2 Bonds upon receipt by the I-Bank and the Fiduciaries of written notice from DTC to the effect that DTC has received written notice from participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Series 2018A-2 Bonds to the effect that: (i) DTC is unable to discharge its responsibilities with respect to the Series 2018A-2 Bonds; or (ii) a continuation of the requirement that all of the Outstanding Series 2018A-2 Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2018A-2 Bonds.

(c) Upon the termination of the services of DTC with respect to the Series 2018A-2 Bonds pursuant to subsection 2.05(3)(b)(ii) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2018A-2 Bonds pursuant to subsection 2.05(3)(a) or subsection 2.05(3)(b)(i) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the I-Bank, is willing and able to undertake such functions upon reasonable and customary terms, the Series 2018A-2 Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Series 2018A-2 Bonds shall designate, in accordance with the provisions of Article II hereof.

4. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any Series 2018A-2 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or Redemption Price of, and interest on, such Series 2018A-2 Bond and all notices with respect to such Series 2018A-2 Bond shall be made and given, respectively, to DTC as provided in the representation letter of the I-Bank and the Trustee addressed to DTC with respect to the Series 2018A-2 Bonds.
5. In connection with any notice or other communication to be provided to Bondholders pursuant to this Bond Resolution by the I-Bank or the Trustee with respect to any consent or other action to be taken by Bondholders, the I-Bank or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.
ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 3.01. Medium of Payment; Form and Date; Letters and Numbers.

1. The Bonds shall be payable, with respect to interest and principal or Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

2. The Bonds of each Series shall be issued only in the form of fully registered Bonds without coupons in denominations of, subject to the denominations required by Section 2.03(3) and 2.05(2) hereof with regard to the initial denominations of the Series 2018A-2 Bonds, $5,000 or any whole multiple thereof. The Bonds of each Series shall be in substantially the form set forth in Section 14.01 or substantially in the form set forth in the Supplemental Resolution authorizing such Series.

3. Each Bond shall be lettered and numbered as provided in this Bond Resolution or the Supplemental Resolution providing for the issuance of the Series of which such Bond is a part and so as to be distinguished from every other Bond.

Bonds of each Series issued on the date of original issuance shall be dated and bear interest from the date set forth in this Bond Resolution or the Supplemental Resolution authorizing such Series of Bonds. Bonds of each Series issued after the date of original issuance shall be dated as of the date of authentication thereof by the Trustee. Interest on each Bond shall be payable from the most recent Interest Payment Date next preceding the date of authentication of such Bond to which interest has been paid, unless the date of authentication of such Bond is an Interest Payment Date to which interest has been paid, in which case interest shall be payable from such Interest Payment Date, or unless the date of such Bond is prior to the first Interest Payment Date on the Bonds, in which case interest shall be payable from the earliest date on which interest shall have accrued on the Bonds, or unless the date of such Bond is between the Record Date and the next succeeding Interest Payment Date, in which case interest shall be payable from such Interest Payment Date.

4. The interest on, and principal or Redemption Price, if any, of, each Series of Bonds shall be payable as provided in this Bond Resolution or Supplemental Resolution relating to such Series of Bonds.

SECTION 3.02. Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Bond Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, the Act, or otherwise, as may be determined by the I-Bank prior to the authentication and delivery thereof.

SECTION 3.03. Execution and Authentication.

1. The Bonds shall be executed in the name of the I-Bank by the manual or facsimile signature of the Chairman or other Authorized Officer of the I-Bank, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary or Assistant Secretary or other Authorized Officer of the I-Bank, or in such other manner as may be required or permitted by law. In case any one or more of the Authorized Officers of the I-Bank who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds
may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons
who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed
and sealed on behalf of the I-Bank by such persons who at the time of the execution of such Bonds shall be
duly authorized or shall hold the proper office in the I-Bank, although at the date borne by the Bonds of
such Series such persons may not have been so authorized or have held such office.

2. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set
forth in this Bond Resolution or in the Supplemental Resolution authorizing such Series of Bonds, executed
manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be
entitled to any right or benefit under this Bond Resolution and no Bond shall be valid or obligatory for any
purpose until such certificate of authentication shall have been duly executed by the Trustee. Such
certificate of the Trustee upon any Bond executed on behalf of the I-Bank shall be conclusive evidence that
the Bond so authenticated has been duly authenticated and delivered under this Bond Resolution and that
the Holder thereof is entitled to the benefits of this Bond Resolution.

SECTION 3.04. Transfer and Registry.

1. Each Bond shall be transferable only upon the books of the I-Bank, which shall be kept for
that purpose at the Principal Office of the Trustee, by the Holder thereof in person or by his attorney duly
authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to
the Trustee duly executed by the Holder or his duly authorized attorney. Upon the transfer of any such
Bond the I-Bank shall issue in the name of the transferee a new Bond or Bonds of the same aggregate
principal amount and Series and maturity as the surrendered Bond.

2. The I-Bank and each Fiduciary may deem and treat the person in whose name any Bond
shall be registered upon the books of the I-Bank as the absolute owner of such Bond, whether such Bond
shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and
Redemption Price, if any, of and interest on, such Bond and for all other purposes, and all such payments
so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the
liability upon such Bond to the extent of the sum or sums so paid, and neither the I-Bank nor any Fiduciary
shall be affected by any notice to the contrary. The I-Bank agrees to indemnify and save each Fiduciary
harmless from and against any and all loss, cost, charge, expense (including legal fees), judgment or liability
incurred by it, acting in good faith and without negligence under this Bond Resolution, in so treating such
Holder, and that such indemnity shall survive the payment of the Bonds and the discharge of this Bond
Resolution.

SECTION 3.05. Regulations With Respect to Exchanges and Transfers. In all cases in which
the privilege of exchanging Bonds or transferring Bonds is exercised, the I-Bank shall execute and the
Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution.
All Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee. For
every such exchange or transfer of Bonds, whether temporary or definitive, the I-Bank or the Trustee may
make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid
with respect to such exchange or transfer. Neither the I-Bank nor the Trustee shall be required (a) to transfer
or exchange Bonds for a period beginning on the Record Date next preceding an Interest Payment Date for
the Bonds and ending on such Interest Payment Date, or for a period of fifteen (15) days (or such lesser
period as may be specified in a Supplemental Resolution for a particular Series of Bonds) next preceding
the date (as determined by the Trustee) of any selection of Bonds to be redeemed or tendered after
the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called or tendered for
redemption.
SECTION 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the I-Bank shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, maturity and principal amount as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the I-Bank and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the I-Bank and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the I-Bank and the Trustee may prescribe and paying such expenses as the I-Bank and Trustee may incur. All mutilated Bonds so surrendered to the Trustee shall be canceled by it. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the I-Bank, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by, and entitled to equal and proportionate benefits with all other Bonds issued under this Bond Resolution in, any moneys or securities held by the I-Bank or any Fiduciary for the benefit of the Bondholders.

SECTION 3.07. Temporary Bonds.

1. Until the definitive Bonds of any Series are prepared, the I-Bank may execute, in the same manner as is provided in Section 3.03, and upon the request of the I-Bank, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The I-Bank at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Bond Resolution.

2. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

SECTION 3.08. Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Trustee, who shall execute a Certificate of destruction in duplicate by the signature of one of its Authorized Officers describing the Bonds so destroyed, and one executed Certificate shall be filed with the I-Bank and the other executed Certificate shall be retained by the Trustee.
ARTICLE IV

REDEMPTION OF BONDS PRIOR TO MATURITY

SECTION 4.01. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to this Bond Resolution shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in this Article IV as may be specified in this Bond Resolution and the Supplemental Resolution authorizing such Series of Bonds. In order to redeem prior to maturity Bonds which are registered in the name of Cede & Co., the Redemption Price plus accrued interest thereon shall be deposited with the Trustee in immediately available funds not later than 11:00 a.m., New York City time, on the redemption date.

SECTION 4.02. Optional and Mandatory Sinking Fund Redemption.

1. The Series 2018A-2 Bonds shall be subject to optional redemption and mandatory sinking fund redemption in accordance with the provisions of this Bond Resolution, including, without limitation, Sections 2.03(5) and (6), respectively, hereof.

2. In the case of any redemption of Bonds at the election or direction of the I-Bank, the I-Bank shall give written notice to the Trustee of its election or direction to so redeem, of the redemption date, and of the principal amounts of the Bonds of each maturity to be redeemed (which maturities and principal amounts thereof to be redeemed shall be determined by the I-Bank in its sole discretion, subject to any limitations with respect thereto contained in this Bond Resolution). Such notice shall be given at least fifty (50) days prior to the redemption date or such shorter period as shall be agreed to in writing by the Trustee. In the event notice of redemption shall have been given as provided in Section 4.05, the I-Bank shall pay or require the Applicable Borrower to pay to the Trustee on or prior to the redemption date an amount in cash which, in addition to other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed.

SECTION 4.03. Redemption Otherwise than at I-Bank’s Election or Direction. Whenever by the terms of this Bond Resolution the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the I-Bank, the Trustee shall select the Bonds to be redeemed, give the notice of redemption as provided in Section 4.05 and pay out of moneys available therefor the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, to the Paying Agent in accordance with the terms of this Article IV and, to the extent applicable, Article V hereof.

SECTION 4.04. Selection of Bonds to Be Redeemed. If less than all of the Bonds of like maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee shall determine; provided, however, that the portion of any Bond of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or an integral multiple thereof, and that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum denomination in which Bonds of such Series are authorized to be outstanding after the redemption date.

SECTION 4.05. Notice of Redemption. When Bonds of a Series have been selected for redemption pursuant to any provision of this Bond Resolution, the Trustee shall give written notice of the redemption of such Bonds in the name of the I-Bank at the times specified in the second paragraph of this Section, which notice shall set forth: (i) the Series of the Bonds to be redeemed, (ii) the date fixed for redemption, (iii) the Redemption Price to be paid, (iv) that such Bonds will be redeemed at the Principal
Office of the Paying Agent, (v) if less than all of such Bonds shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed, (vi) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and (vii) except with respect to a mandatory sinking fund redemption, that such redemption is conditioned upon there being on deposit with the Trustee on the date designated for redemption moneys sufficient for the payment of the Redemption Price and the accrued interest to the redemption date. Such notice shall further state that on the redemption date there shall become due and payable the Redemption Price of all Bonds to be redeemed, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. In case any Bond is to be redeemed in part only, the notice of redemption that relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, the Holder thereof shall be entitled to a new Bond or Bonds of the same Series, bearing interest at the same rate and in aggregate principal amount equal to the unredeemed portion of such Bond.

The notice required to be given by the Trustee pursuant to this Section shall be sent by first class mail to the registered owners of the Bonds to be redeemed, at their addresses as they appear on the Bond registration books of the I-Bank, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date. The failure to give notice of the redemption of any Bond or portion thereof to the registered owner of such Bond as herein provided shall not affect the validity of the proceedings for the redemption of any Bonds for which notice of redemption has been given in accordance with the provisions of this Section.

SECTION 4.06. Payment of Redeemed Bonds. On the date designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such Bonds or such portions thereof on such date and, if upon presentation and surrender moneys for the payment of the Redemption Price and the accrued interest to the redemption date are held in a separate account by the Trustee in trust for the holders of such Bonds, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Bonds or such portions thereof shall cease to be entitled to any benefit or security under this Bond Resolution and the Holders of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof and the accrued interest thereon and, to the extent provided in Section 4.07 hereof, to receive Bonds for any unredeemed portions of Bonds.

SECTION 4.07. Redemption of Portions of Bonds. In case part but not all of an Outstanding Bond shall be selected for redemption, upon presentation and surrender of such Bond to the Paying Agent for payment of the principal amount thereof so called for redemption and accrued interest thereon on or after the redemption date, the I-Bank shall execute and the Trustee shall authenticate and deliver to or upon the order of the registered owner thereof or his attorney or legal representative, without charge therefor, a Bond or Bonds of the same Series bearing interest at the same rate and of any denomination or denominations authorized by this Bond Resolution in aggregate principal amount equal to the unredeemed portion of such Bond.
ARTICLE V

REVENUES AND FUNDS

SECTION 5.01. Creation of Funds and Accounts. The following Funds, separate Accounts within Funds and separate Subaccounts within Accounts shall be established, held and maintained for the Bonds:

1. Debt Service Fund, to be held by the Trustee, which shall consist of an Interest Account, a Capitalized Interest Account, a Principal Account and a Redemption Account, each of which Accounts shall be further subdivided into an SRF Subaccount and a non-SRF Subaccount, each of which Subaccounts shall be further subdivided into a Clean Water Subaccount and a Drinking Water Subaccount;

2. Reserved;

3. General Fund, to be held by the Trustee, which shall consist of an SRF Account and a non-SRF Account to the extent necessary and/or appropriate, each of which Accounts shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate;

4. Operating Expense Fund, to be held by the I-Bank, which shall consist of an Administrative Fee Account and a Costs of Issuance Account;

5. Project Fund, to be held by the Trustee, which shall consist of a separate Project Loan Account established (i) for each Borrower to which a single Loan is to be made from a portion of the proceeds of the Series 2018A-2 Bonds and, if applicable, (ii) for each Loan with respect to any Borrowers that have received two or more Loans from a portion of the proceeds of the Series 2018A-2 Bonds, each of which Project Loan Accounts shall be designated as either a “Clean Water SRF Project Loan Account”, a “Drinking Water SRF Project Loan Account”, a “Clean Water non-SRF Project Loan Account” or a “Drinking Water non-SRF Project Loan Account”, all pursuant to Section 5.02 hereof; provided, however, that, to the extent a single Loan is made by the I-Bank to finance multiple projects, the Trustee shall, upon the direction of an Authorized Officer of the I-Bank, establish Subaccounts within a particular Project Loan Account with respect to each individual project;

6. Revenue Fund, to be held by the Trustee, which shall consist of (i) an I-Bank Bond Loan Repayments Account, consisting of an SRF Subaccount and a non-SRF Subaccount to the extent necessary and/or appropriate, each of which Subaccounts further shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate; and (ii) a State Loan Repayments Account, consisting of an SRF Subaccount and a non-SRF Subaccount to the extent necessary and/or appropriate, each of which Subaccounts further shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate; and

7. Rebate Fund, to be held by the Trustee, which shall consist of a General Rebate Account.

8. Pursuant to a Certificate of an Authorized Officer of the I-Bank, the I-Bank may direct the Trustee to establish additional funds, accounts within funds, and subaccounts within accounts, in the manner set forth in such Certificate.

Each of the Funds, Accounts and Subaccounts created by this Bond Resolution, other than the Operating Expense Fund, the Project Fund and the Rebate Fund (including all Accounts and Subaccounts therein), is hereby pledged to, and charged with, the payment of the principal or Redemption Price of and interest on the Bonds as the same shall become due.
SECTION 5.02. Project Fund.

1. There shall be established within the Project Fund a separate Project Loan Account in favor of each Borrower to which a Loan is to be made pursuant to a Loan Agreement.

2. There shall be deposited into each Project Loan Account from the proceeds of the Series 2018A-2 Bonds the respective amounts set forth in the Certificate of an Authorized Officer of the I-Bank delivered to the Trustee pursuant to Section 2.03(7)(f) hereof, which Certificate shall also designate each such Project Loan Account as either a “Clean Water SRF Project Loan Account”, a “Drinking Water SRF Project Loan Account”, a “Clean Water non-SRF Project Loan Account” or a “Drinking Water non-SRF Project Loan Account”.

3. The Trustee shall make payments from a Project Loan Account for Costs of a Borrower’s Project in the amounts, at the times, in the manner and on the other terms and conditions set forth in this Section 5.02 and in such Borrower’s Loan Agreement. Before any such payment shall be made, the Borrower shall file with the Trustee its requisition therefor, approved by the I-Bank, which requisition shall be on a form as determined from time to time by the Executive Director or other Authorized Officer of the I-Bank. The Trustee shall issue its check for each payment required by such requisition or shall, by interbank transfer or other method of transfer, arrange to make the payment required by such requisition. No disbursement from the respective Project Loan Account shall be made by the Trustee pursuant to the terms hereof unless the Borrower has complied with each provision of Section 3.02 of the respective Loan Agreement, as evidenced by the approval by the I-Bank of the requisition as referenced herein.

4. The I-Bank shall file with the Trustee a Certificate, signed by an Authorized Officer of the I-Bank, with respect to each Project Loan Account directing the Trustee to transfer to the Debt Service Fund (and the appropriate Account and Subaccount therein) to be applied as a credit against and considered as I-Bank Bond Loan Repayments due from the respective Borrower in whose favor any such Project Loan Account was established all of the moneys remaining in any such Project Loan Account at the following times and upon satisfaction of the following conditions: (A) the I-Bank has approved all requisitions to be paid from any such Project Loan Account that are eligible to be approved under the Regulations; or (B) one hundred eighty (180) days have passed following the last date of the draw schedule set forth in Exhibit C to the Applicable Borrower’s respective Loan Agreement, as such draw schedule may have been revised pursuant to the provisions of Section 3.03A thereof; provided, however, notwithstanding the provisions hereof to the contrary, the I-Bank shall implement a redemption of Bonds pursuant to the terms of this Bond Resolution to the extent provided by the terms of Section 3.03A of the Applicable Borrower’s respective Loan Agreement. Such Certificate shall (X) state that the proceeds of the Loan have been fully disbursed to the extent allowed by the Regulations, and either (Y) set forth a schedule indicating when and how much of the remaining moneys are to be transferred to the Debt Service Fund (and the appropriate Account and Subaccount therein) and applied as a credit against and considered as I-Bank Bond Loan Repayments due from the respective Borrower in whose favor the Project Loan Account was established, or (Z) state that such moneys remaining in such Project Loan Account shall be allocated to the implementation of a redemption of Bonds pursuant to the terms of this Bond Resolution to the extent provided by the terms of Section 3.03A of the Applicable Borrower’s respective Loan Agreement. The Trustee shall transfer from any such Project Loan Account to the appropriate Account within the Debt Service Fund (as determined by the application of clause (X) and clause (Y) or clause (Z), above) and within such Account either the SRF Subaccount or the non-SRF Subaccount, and within such Subaccounts, either the Clean Water Subaccount or the Drinking Water Subaccount, as applicable, the amounts identified in any such Certificate of the I-Bank at the times indicated therein.

SECTION 5.03. Operating Expense Fund.
1. There shall be established within the Operating Expense Fund a Costs of Issuance Account and an Administrative Fee Account.

2. In addition to the amounts deposited in the Costs of Issuance Account from the proceeds of the Series 2018A-2 Bonds pursuant to Section 2.03(7)(b), there shall be deposited in the Costs of Issuance Account, from the proceeds of each Series of Refunding Bonds, the amounts set forth for deposit therein pursuant to the Supplemental Resolutions authorizing the issuance of each such Series of Refunding Bonds.

3. The I-Bank shall make payments from the Costs of Issuance Account and, to the extent necessary, from its funds and accounts not subject to the pledge and lien of this Bond Resolution, in the amounts, at the times, in the manner and on the other terms and conditions as the I-Bank shall determine to be fair and reasonable in the payment of the particular items of the Costs of Issuance relating to the issuance of a particular Series of Bonds and, in the case of the Series 2018A-2 Bonds, in accordance with the provisions of the Tax Certificate. Upon the payment of all Costs of Issuance as evidenced by a Certificate of an Authorized Officer of the I-Bank to such effect, the amounts remaining in the Costs of Issuance Account, if any, shall be transferred as shall be set forth in such Certificate of an Authorized Officer of the I-Bank and, in the case of the Series 2018A-2 Bonds, in accordance with the provisions of the Tax Certificate.

4. The Trustee shall deposit, in the Administrative Fee Account, the Administrative Fees received by the Trustee on behalf of the I-Bank pursuant to the Loan Agreements. The I-Bank shall utilize moneys on deposit in the Administrative Fee Account from time to time to pay the operating expenses of the I-Bank, as well as to pay for any other corporate purposes of the I-Bank that are permitted by the Act; provided, however, that in any Bond Year the moneys on deposit in the Administrative Fee Account shall be applied by the I-Bank in satisfaction of the operating expenses of the I-Bank arising under this Bond Resolution in such Bond Year before such moneys may be applied in satisfaction of either (i) the other operating expenses of the I-Bank arising in such Bond Year or (ii) any other corporate purposes of the I-Bank arising in such Bond Year that are permitted by the Act.

SECTION 5.04. Revenues. The Trustee shall, as agent for the I-Bank and the State, perform the following duties and services:

1. The Trustee shall collect from each Borrower all required I-Bank Bond Loan payments, when due, in the amounts and at the times established by the I-Bank in a Certificate of an Authorized Officer of the I-Bank. The I-Bank shall use its best efforts to provide such Certificate to the Trustee no less than sixty (60) days prior to the date on which any such payments are due and payable. In collecting such payments from each Borrower, the Trustee shall rely exclusively upon such Certificate of an Authorized Officer of the I-Bank. To the extent the Trustee deems it necessary or appropriate, the Trustee may, and is hereby authorized to, establish a Clearing Account for the purpose of administering the collection of such payments. The Trustee hereby acknowledges that (a) all amounts so collected shall be collected by the Trustee on behalf of, and for the benefit of, the I-Bank and the State, to the extent of their respective interests therein, (b) in making such collections, the Trustee shall act as an agent for the I-Bank and the State, to the extent of their respective interests therein, (c) all amounts so collected by the Trustee shall be the property of the I-Bank and the State, to the extent of their respective interests therein, and not of the Trustee, (d) all such amounts, when received by the Trustee, shall be deemed to be received by the I-Bank and the State, to the extent of their respective interests therein, as determined in accordance with paragraph (3) below, and (e) the amounts deemed received by the I-Bank as I-Bank Bond Loan Repayments and by the State as State Loan Repayments pursuant to the terms hereof, immediately upon receipt by the Trustee, shall be deemed to be Revenues, and shall be included in the Trust Estate established and pledged as security for the Bonds under this Bond Resolution.
2. Promptly after collection of each I-Bank Bond Loan Repayment, State Loan Repayment, Administrative Fee payment, State Administrative Fee payment or other required payment from a Borrower, the Trustee shall credit such Borrower with each of the respective sums collected. Moneys received from each Borrower with respect to a particular payment date shall be credited, first, to the payment then due (other than the Administrative Fee payment) under the Loan Agreement, second, to the Administrative Fee payment then due under the Loan Agreement, third, to the payment then due (other than the State Administrative Fee payment, if any) under the State Loan Agreement, and, fourth, to the State Administrative Fee payment, if any, then due under the State Loan Agreement.

3. Promptly after crediting each Borrower pursuant to the order of priority established under paragraph (2) above for the moneys received from each Borrower with respect to a particular payment date, the Trustee shall deposit the sums collected in the accounts established for such payments in the following order of priority of such deposits and the required amounts of such deposits:

(a) First, (i) into the I-Bank Bond Loan Repayments Account within the Revenue Fund established under this Bond Resolution, a sum or sums from moneys credited as I-Bank Bond Loan Repayments equal to the amount required for the next immediate debt service payment date for the Bonds, and (ii) into the State Loan Repayments Account within the Revenue Fund established under this Bond Resolution, all moneys credited as State Loan Repayments;

(b) Upon depositing the required amounts pursuant to paragraph (3)(a) above, into the Administrative Fee Account in the Operating Expense Fund established under this Bond Resolution, all moneys credited as Administrative Fee payments only then due to the I-Bank from each Borrower pursuant to its respective Loan Agreement;

(c) (i) If, upon depositing the required amounts pursuant to paragraphs (3)(a) and (3)(b), above, the amounts on deposit in the I-Bank Bond Loan Repayments Account within the Revenue Fund are not sufficient to make all of the payments due with respect to the Bonds on the next immediate debt service payment date for such Bonds, then the Trustee shall transfer from the State Loan Repayments Account within the Revenue Fund to the I-Bank Bond Loan Repayments Account within the Revenue Fund an amount equal to the difference between the amount on deposit in the I-Bank Bond Loan Repayments Account within the Revenue Fund and the amount required to make all of the payments due on the next immediate debt service payment date for the Bonds;

(ii) If, upon depositing the required amounts pursuant to paragraphs (3)(a) and (3)(b), above, and after giving effect to any transfers required by paragraph 3(c)(i), above, the amounts on deposit in the I-Bank Bond Loan Repayments Account within the Revenue Fund are sufficient to make all of the payments due with respect to the Bonds on such date, then the Trustee shall transfer immediately to the Master Program Trustee for deposit in the Master Program Trust Account from moneys on deposit in the State Loan Repayments Account within the Revenue Fund and credited as State Loan Repayments only corresponding to the next immediate debt service payment date for the Bonds, for deposit and disbursement in accordance with the terms and conditions of the Master Program Trust Agreement;

(d) Upon depositing and/or transferring the required amounts pursuant to paragraphs (3)(a), (3)(b) and (3)(c), above, to the State all moneys credited as State Administrative Fee payments only, if any, then due to the State from each Borrower pursuant to its respective State Loan Agreement; and
(e) Upon depositing the required amounts pursuant to paragraphs (3)(a), (3)(b), (3)(c) and (3)(d), above, into the applicable Account within the Revenue Fund all remaining moneys, if any, credited as Loan Repayments, to be applied in satisfaction of the amounts next required to be disbursed as provided under this paragraph (3) in the sequence and manner established pursuant to this paragraph (3).

In making the deposits required by the provisions of this subsection (3), the Trustee shall rely exclusively upon a Certificate of an Authorized Officer of the I-Bank, which Certificate shall be provided to the Trustee by the I-Bank simultaneously with the provision by the I-Bank to the Trustee of the Certificate required by the provision of subsection (1) of this Section 5.04.

4. If a payment of amounts due under a Loan Agreement or a State Loan Agreement is not received on or before the required payment date, the Trustee shall notify the I-Bank and the State in writing on the first Business Day after such payment date that the payment is past due. Promptly following receipt of such notice from the Trustee, the I-Bank shall notify the Borrower and, if applicable, the trustee under the Borrower Bond Resolution (as such term is defined in the Loan Agreement) in writing that such payment is past due. If a payment is not received from the Borrower within ten days of the date when such payment is due, the Trustee shall promptly notify the I-Bank and the State in writing.

5. The Trustee shall promptly notify the I-Bank, the Borrower and, if applicable, the trustee under the Borrower Bond Resolution in writing on the first Business Day after a payment date if the moneys received from the Borrower pursuant to paragraph (2) of this Section 5.04 with respect to such payment date are insufficient to satisfy in full the I-Bank Bond Loan Repayments and Administrative Fee payments then due under the Loan Agreement. The Trustee shall promptly notify the I-Bank, the State, the Borrower and, if applicable, the trustee under the Borrower Bond Resolution in writing on the first Business Day after a payment date if the moneys received from the Borrower pursuant to paragraph (2) of this Section 5.04 with respect to such payment date are insufficient to satisfy in full the State Loan Repayments and State Administrative Fee payments then due under the State Loan Agreement. The Trustee, pursuant to Section 5.07(2) of this Bond Resolution, shall also notify the I-Bank and the State that an I-Bank Bond Loan Repayment deficiency cannot be satisfied from Loan Repayments deposited pursuant to Section 5.04(3)(a) hereof.

6. In connection with the obligation of the Trustee pursuant to subsections (4) and (5) of this Section 5.04 to provide written notice to a trustee under a Borrower Bond Resolution, the I-Bank shall use its best efforts to maintain on file with the Trustee a list of such trustees, with relevant address and contact information included in such list. However, the failure of the I-Bank to provide such list to the Trustee shall not relieve the Trustee of the obligation to provide the written notice to such a trustee pursuant to the provisions of subsections (4) and (5) of this Section 5.04.

SECTION 5.05. Revenue Fund.

1. On or prior to each Interest Payment Date, the Trustee shall transfer from amounts in the SRF Subaccount and the non-SRF Subaccount (and the applicable Subaccounts therein) of the I-Bank Bond Loan Repayments Account within the Revenue Fund to the SRF Subaccount and the non-SRF Subaccount (and the applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund, the amount which, together with the amounts, if any, already on deposit in such Subaccounts of the Interest Account (other than Net Earnings on amounts that have been received in the Interest Account since the immediately preceding Interest Payment Date) and the amounts, if any, on deposit in the Capitalized Interest Account and designated for use on such Interest Payment Date pursuant to this Bond Resolution or a
Supplemental Resolution, is equal in the aggregate to the interest due and payable on the Bonds on such Interest Payment Date.

2. On or prior to September 1 of each year through and including final maturity of the Bonds, the Trustee shall transfer from moneys on deposit in the SRF Account and the non-SRF Account (and the applicable Subaccounts therein) of the I-Bank Bond Loan Repayments Account within the Revenue Fund to the SRF Subaccount and the non-SRF Subaccount (and the applicable Subaccounts therein), as applicable, of the Principal Account in the Debt Service Fund the amount which, together with the amounts, if any, already on deposit in such Subaccounts of the Principal Account (other than Net Earnings on amounts that have been received in the Principal Account since the immediately preceding Interest Payment Date), is equal in the aggregate to the principal, including Sinking Fund Installments, if any, due and payable on the Bonds on such September 1.

3. On or prior to each redemption date, other than a Sinking Fund Installment due date, the Trustee shall transfer from moneys on deposit in the SRF Account and the non-SRF Account (and the applicable Subaccounts therein) of the I-Bank Bond Loan Repayments Account within the Revenue Fund (i) to the SRF Subaccount and the non-SRF Subaccount (and the applicable Subaccounts therein), as applicable, of the Redemption Account in the Debt Service Fund an amount equal in the aggregate to the Redemption Price due and payable on all Bonds to be redeemed on such redemption date and (ii) to the SRF Subaccount and the non-SRF Subaccount (and the applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund an amount equal in the aggregate to the interest accrued and not paid and to accrue on such Bonds to such redemption date. Money received from a Borrower prior to September 1, 2028 that represents a prepayment of its Loan as allowed pursuant to its respective Loan Agreement shall be held in the accounts set forth in a Certificate of an Authorized Officer of the I-Bank prior to September 1, 2028, the first optional redemption date.

4. Reserved.

5. The Trustee shall keep records and accounts with respect to the Revenue Fund. Such records shall be in such format so that (i) all amounts received by the Trustee from the Borrowers pursuant to the Loan Agreements can be properly designated, pursuant to Section 5.04 hereof, as interest or principal payments on the Loans, or other than amounts payable pursuant to the Loan Agreements or Net Earnings attributable to such amounts, and (ii) all amounts received by the Trustee from the Borrowers pursuant to the State Loan Agreements can be properly designated, pursuant to Section 5.04 hereof, as State Loan Repayments pursuant to the State Loan Agreements.

SECTION 5.06. Debt Service Fund.

1. On each Interest Payment Date and each redemption date, the Trustee shall withdraw from the Capitalized Interest Account, if so designated, and the Interest Account in the Debt Service Fund amounts equal in the aggregate to the interest due on the Bonds on such Interest Payment Date or redemption date, which moneys shall be paid by the Paying Agent in accordance with Section 3.01 hereof.

2. On the maturity or Sinking Fund Installment due date of any Bonds, the Trustee shall make available to the Paying Agent from moneys in the Principal Account in the Debt Service Fund an amount equal to the principal or Redemption Price of the Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such principal or Redemption Price.

3. On each redemption date, other than a Sinking Fund Installment due date, the Trustee shall make available to the Paying Agent from moneys in the Redemption Account in the Debt Service Fund an
amount equal to the Redemption Price of the Bonds to be redeemed on such redemption date, which moneys shall be applied by the Paying Agent to the payment of such Redemption Price.

SECTION 5.07. Reserved.

SECTION 5.08. General Fund. On the first day of each Bond Year beginning September 1, 2019, the Trustee shall deposit in the SRF Account and non-SRF Account (and the applicable Subaccounts therein), as applicable, of the General Fund all moneys then remaining in the I-Bank Bond Loan Repayments Account within the Revenue Fund except for those moneys identified as credits under Section 5.10 hereof to be transferred to the Interest Account on the second day of such Bond Year; provided, however, that (i) all transfers from the I-Bank Bond Loan Repayments Account within the Revenue Fund required pursuant to subsections (1), (2), (3) and (4) of Section 5.05 shall have been made, and (ii) all funds required to be on deposit in the Revenue Fund pursuant to Section 5.05(2) are on deposit in the Revenue Fund. Moneys on deposit in the General Fund that shall not be required to be transferred to the Interest Account in the Debt Service Fund pursuant to Section 5.10 may be applied by the I-Bank, upon written requisition from the I-Bank to the Trustee, in accordance with the Act and, in the case of proceeds of the Series 2018A-2 Bonds, the Tax Certificate, for any of its corporate purposes. Such requisition shall state that the I-Bank is requesting such moneys pursuant to the provisions of this Section 5.08.

SECTION 5.09. Moneys to Be Held in I-Bank. All moneys required to be deposited with or paid to the Trustee or the Paying Agent for the account of any Fund or Account established pursuant to any provision of this Bond Resolution for the Bonds in accordance with this Bond Resolution, other than the Project Fund, the Operating Expense Fund and the Rebate Fund, shall be held by the Trustee or the Paying Agent, as the case may be, in trust for the Holders of the Bonds and shall constitute part of the Trust Estate while held by the Trustee or the Paying Agent; provided, however, that moneys deposited with and held by the Trustee or the Paying Agent for the redemption of Bonds on or after the redemption date of such Bonds, or for the payment of the Redemption Price of or interest on Bonds on or after the date on which such amounts shall have become due, shall be held and applied solely for the redemption or payment of the Redemption Price of or the payment of the interest on such Bonds.

SECTION 5.10. Investments.

1. Generally. All moneys in any of the Funds and Accounts created pursuant to this Bond Resolution, other than the Operating Expense Fund and the Accounts established therein, shall be invested by the Trustee as directed by an Authorized Officer of the I-Bank in writing, subject to the further provisions of this Section. The Trustee may conclusively rely upon such written direction of an Authorized Officer of the I-Bank as to any and all investments and as to the compliance of any investments with the procurement and investment policies and procedures of the I-Bank. Moneys in the Operating Expense Fund shall be invested by the I-Bank in accordance with the provisions of this Section.

Moneys in all Funds and Accounts created pursuant to this Bond Resolution shall be invested in Investment Securities, the principal of and interest on which are payable not later than the dates on which it is estimated that such moneys will be required hereunder; provided, however, that the Project Fund and the Project Loan Accounts established therein may be invested in the State of New Jersey Cash Management Fund or other similar common trust fund for which the New Jersey State Treasurer is the custodian, in addition to investment thereof in Investment Securities.

Investment Securities acquired as an investment of moneys in any Fund or Account created Pursuant to this Bond Resolution shall be credited to such Fund or Account. For the purpose of determining the amount in any Fund or Account at any time in accordance with this Bond Resolution, all Investment
Securities credited to such Fund or Account shall be valued at the lesser of amortized cost (exclusive of accrued interest) or fair market value.

The Trustee may act as principal or agent in the acquisition or disposition of any Investment Securities. The Trustee shall exercise its best efforts to sell at the best price obtainable, or present for redemption, any Investment Securities to the credit of any Fund or Account created pursuant to this Bond Resolution, other than the Operating Expense Fund and the Rebate Fund (and the respective Accounts therein), whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from such Fund or Account, and the Trustee shall not be liable for any loss resulting from such necessary sale so made of such Investment Securities.

2. **Reserved.**

3. **Net Earnings on all Funds and Accounts Subject to Transfer and Credit.** (i) All Net Earnings received in the first Bond Year from the investment of moneys in any Fund, Account or Subaccount created hereunder, other than the Operating Expense Fund, the Rebate Fund, the Project Fund, and the respective Accounts established therein, and the Capitalized Interest Account (and the Subaccounts therein) in the Debt Service Fund, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount (and the applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund on September 2, 2019; (ii) all Net Earnings received from September 2 through and including March 1 in any Bond Year thereafter from the investment of moneys in any Fund, Account or Subaccount created pursuant to this Bond Resolution, other than the Funds, Accounts and Subaccounts excepted in (i) above, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount (and the applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund on March 2 of any such Bond Year; and (iii) all Net Earnings received from March 2 through and including September 1 in any Bond Year thereafter from the investment of moneys in any Fund, Account or Subaccount created pursuant to this Bond Resolution, other than the Funds, Accounts and Subaccounts excepted in (i) and (ii) above, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount (and the applicable Subaccounts therein), as applicable, of the Interest Account in the Debt Service Fund on September 2 of any such Bond Year.

4. **Specific Borrower Credits.** The Trustee, simultaneously with each transfer contemplated by Section 5.10(3) hereof, shall notify the I-Bank in writing of all such Net Earnings so transferred. Such writings shall set forth the Net Earnings derived from each such Fund, Account or Subaccount created hereunder. The I-Bank will credit the Interest Portion of the immediately succeeding I-Bank Bond Loan Repayment due from a Borrower, and to the extent moneys are available therefor, the principal portion of such I-Bank Bond Loan Repayments, if any, with the Allocable Share of the Net Earnings allocable to said Borrower and notify the Borrower and the Trustee of such credit. The Allocable Share of the Net Earnings allocable to a Borrower shall be the sum of said Borrower’s pro rata share of the Net Earnings derived in accordance with Section 5.10(3) hereof from the SRF or non-SRF Subaccounts or Accounts (and any Subaccounts therein), as applicable, of the Interest Account, the Principal Account and the Redemption Account in the Debt Service Fund, the General Fund and the Revenue Fund (*i.e.*, all Funds, Accounts and Subaccounts created hereunder other than those Funds, Accounts and Subaccounts listed in Section 5.10(3) hereof, the Net Earnings on which are not subject to transfer and credit in favor of Borrower I-Bank Bond Loan Repayments) in any Bond Year commencing on or after September 1, 2019, which pro rata share shall be equal to the product of: (i) such Net Earnings so derived from the SRF or non-SRF Subaccounts and Accounts (and any Subaccounts therein) of such Funds or Accounts, as applicable, and (ii) said Borrower’s Allocable Share.

To the extent that an Authorized Officer of the I-Bank advises the Trustee in writing (which writing may be via electronic mail) that the I-Bank has determined that the aggregate Net Earnings in all Funds,
Accounts and Subaccounts allocable to any individual Borrower on a given Interest Payment Date, as calculated by the I-Bank pursuant to this subsection, are less than the lesser of (I) one-twelfth (1/12) of the I-Bank Bond Loan Repayments due from such Borrower during the immediately preceding Bond Year, and (II) $1,000, such Net Earnings shall be retained in the Debt Service Fund, unless directed otherwise by an Authorized Officer of the I-Bank, and shall be credited to the I-Bank Bond Loan Repayment of such Borrower in accordance with this paragraph on the next succeeding Interest Payment Date. Furthermore, to the extent that an Authorized Officer of the I-Bank advises the Trustee in writing (which writing may be via electronic mail), the calculation pursuant to this subsection by the I-Bank of the aggregate Net Earnings in all Funds, Accounts and Subaccounts allocable to any individual Borrower on a given Interest Payment Date need not be performed and, in such case, such Net Earnings shall be retained in the Debt Service Fund, unless directed otherwise by an Authorized Officer of the I-Bank, and shall be credited to the I-Bank Bond Loan Repayment of such Borrowers in accordance with this subsection on the next succeeding Interest Payment Date.

5. **Earnings on Funds and Accounts Not Subject to Transfer and Credit.** All Net Earnings from the investment of moneys in the Project Fund, the Capitalized Interest Account within the Debt Service Fund, the Rebate Fund and the Operating Expense Fund (and each of the respective Accounts and Subaccounts therein) shall be retained in and treated as part of such respective Fund, Accounts and Subaccounts, and applied in accordance with the Sections of this Bond Resolution governing such Funds, Accounts and Subaccounts.

6. **Rebate Fund.** The I-Bank may withdraw and utilize earnings in any Fund, Account or Subaccount, other than the Interest Account and the Principal Account (and the respective Subaccounts therein) in the Debt Service Fund, to pay into the Rebate Fund any amounts desired by the I-Bank or required pursuant to the Code to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service, as outlined in the Tax Certificate or any letter of instructions referred to in Section 8.06(2) hereof; provided, however, that to the extent any such moneys and investment earnings thereon on deposit in the Rebate Fund shall not be needed for such purposes at the times so outlined, all or a portion of such moneys may be transferred by the Trustee to the General Fund upon the Trustee’s receipt of written instructions from an Authorized Officer of the I-Bank to such effect. The Authorized Officer of the I-Bank shall submit to the Trustee a Certificate specifying the Funds, Accounts and/or Subaccounts and the amount of earnings to be withdrawn for such purposes, and the Trustee shall be entitled to rely on each such Certificate in making payments to the I-Bank.
ARTICLE VI

LOANS

SECTION 6.01. Terms and Conditions of Loans. The I-Bank shall make Loans to Borrowers for the purpose of paying a portion of the Costs of the Borrowers’ Projects from moneys available therefor in the applicable Project Loan Accounts in the Project Fund, and shall enter into Loan Agreements, in the manner, on the terms and conditions and upon submission of the documents required by this Article VI, and not otherwise.

SECTION 6.02. Form of Loan Agreement. The Loan Agreements shall be substantially in the form of Exhibit A, Exhibit B or Exhibit C hereto, as applicable, with such changes therein as shall be approved by the I-Bank, as evidenced by the execution thereof by an Authorized Officer of the I-Bank; provided, however, that the Loans and the Loan Agreements shall in any event conform in all material respects to the provisions of this Article VI.

SECTION 6.03. Restrictions on Loans. No Loan may be made to reimburse a Borrower for all or a portion of the Cost of a Borrower’s Project, or to refinance indebtedness or reimburse the Borrower for the repayment of indebtedness previously incurred by such Borrower to finance all or a portion of the Cost of such Borrower’s Project, unless the Borrower shall deliver to the I-Bank and the Trustee an opinion of Bond Counsel approved by the I-Bank, in form and substance satisfactory to the I-Bank, to the effect that such reimbursement or refinancing will not adversely affect the exclusion from gross income for federal income tax purposes of interest paid on the Bonds.

SECTION 6.04. Loan Closing Submissions. Prior to or at each Loan Closing of a Loan, the I-Bank and the Trustee shall have received the following documents from the Borrower receiving the Loan, failing the receipt of all of which a Borrower shall not be considered a Borrower for purposes of this Bond Resolution:

(a) an opinion or opinions of the Borrower’s Counsel substantially in the form set forth in Exhibit E to the form of Loan Agreement; provided, however, that the I-Bank may permit variances in such opinion from the form or substance of such Exhibit E, if such variances are not to the material detriment of the interests of the Bondholders;

(b) counterparts of the Loan Agreement executed by the parties thereto designating, among other things, SRF or non-SRF status and any other relevant term contemplated by Section 1.03 hereof;

(c) the bond evidencing the payment obligations of the Borrower under such Loan Agreement, duly executed, authenticated and delivered by such Borrower and endorsed by the I-Bank to the Trustee;

(d) the opinion required by Section 6.03 hereof, if applicable;

(e) copies of the resolutions or ordinances of the governing body of the Borrower authorizing the execution and delivery of such Loan Agreement and bond, certified by an Authorized Officer of the Borrower;

(f) an opinion of Counsel to the I-Bank that the Borrower’s Project constitutes a “Project” within the meaning of the Act and that the financing thereof by the I-Bank is permissible under the Act and Section 6.01 of this Resolution; and
such other certificates, documents, opinions and information as the I-Bank or the Trustee may require.

All opinions and certificates required under this Section shall be dated the date of the Loan Closing and all such opinions shall be addressed, at a minimum, to the I-Bank and the Trustee.

SECTION 6.05. I-Bank Bond Loan Repayments. With respect to the Loans made from the proceeds of any Series of Bonds, the I-Bank shall establish I-Bank Bond Loan Repayments under the Applicable Loan Agreements in such amounts which, together with any amounts available and required to be treated as credits under this Bond Resolution, shall be sufficient to pay the principal of, prepayment premium, if any, and interest on such Series of Bonds as the same become due and payable.

SECTION 6.06. Continuing Disclosure. Prior to each Loan Closing with respect to a Loan, the I-Bank, pursuant to the sole discretion of an Authorized Officer of the I-Bank, in consultation with Bond Counsel, general counsel and other appropriate advisors to the I-Bank, shall determine if any Borrower is a material “obligated person” within the meaning and for the purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 15c2-12”), based upon the following criteria hereby established as the means of satisfying the meaning and purposes of Rule 15c2-12: Borrowers shall be considered to be material “obligated persons” if their remaining Fund Loan repayments in all Coverage Providing Financing Programs, when aggregated with such Borrower’s I-Bank Loan repayments, if any, in respect of the Bonds, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs and (ii) the aggregate of all remaining I-Bank Loan repayments from all Borrowers.

To the extent any Borrowers that have been determined to be material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 have entered into Service Agreements with Underlying Government Units and if any such Underlying Government Units have entered into Service Agreements with Indirect Underlying Government Units (as such terms are defined in the Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materialize the I-Bank Bond Loan Repayments of any such Borrowers, any such Underlying Government Unit and Indirect Underlying Government Unit shall also be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12.

Any Borrower determined to be a material “obligated person” based upon the criteria set forth herein shall be required to enter into a Continuing Disclosure Agreement, with a term as specified therein, by and among such Borrower, the I-Bank and the Trustee, substantially in the form attached hereto as Exhibit H to Exhibit A, Exhibit B or Exhibit C, as the case may be, with such changes therein as shall be approved by the I-Bank, as evidenced by the execution thereof by an Authorized Officer of the I-Bank.

The I-Bank hereby determines that it is not an “obligated person”. Nevertheless, the I-Bank hereby covenants to provide notice of Bond Disclosure Events (as defined in the Continuing Disclosure Agreement), if material, with respect to the Series 2018A-2 Bonds to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC or to the Municipal Securities Rulemaking Board and the State Information Depository, if any, recognized by the SEC.

The I-Bank hereby determines that the Series 2018A-2 Financing Program relating to the Series 2018A-2 Bonds is an “obligated person”, and shall be required to enter into a Continuing Disclosure Agreement.
Agreement, with a term as specified therein, by and among the I-Bank, the Trustee and the Master Program Trustee, substantially in the form attached hereto as Exhibit E, with such changes therein as shall be approved by the I-Bank, as evidenced by the execution thereof by an Authorized Officer of the I-Bank.

Notwithstanding any provision to the contrary in Article XI hereof, the I-Bank may amend or supplement this Section 6.06 to comply with any amendment, supplement, modification, termination or other change to Rule 15c2-12.
ARTICLE VII

ADDITIONAL PROVISIONS RELATING TO LOANS

SECTION 7.01. Reserved.

SECTION 7.02. Defaults. The Trustee shall notify the I-Bank of its failure to receive any I-Bank Bond Loan Repayment, if any, of a Borrower due under any Loan Agreement and of any other event of default under such Loan Agreement known to the Trustee.

The Trustee shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms and conditions of all Loan Agreements, including (without limitation) the prompt payment of all I-Bank Bond Loan Repayments and all other amounts due the I-Bank, and the observance and performance of all duties, covenants, obligations and agreements, thereunder; provided, however, that the Trustee shall not accelerate the payment of amounts due under any Loan Agreement following any event of default thereunder (other than any event of default which shall automatically accelerate such payment under the Loan Agreements), unless the Trustee shall have given the I-Bank thirty (30) days' written notice of the occurrence of such event of default and shall have afforded the I-Bank the opportunity to cause such event of default to be cured during the 30-day period following receipt by the I-Bank of such notice.

The Trustee shall not release the duties, covenants, obligations or agreements of any Borrower under any Loan Agreement and shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the I-Bank and the Holders under or with respect to each Loan Agreement; provided, however, that this provision shall not be construed to prevent the Trustee (with the written consent of the I-Bank) from settling a default under any Loan Agreement on such terms as the Trustee shall determine to be in the best interests of the I-Bank and the Holders. The I-Bank hereby appoints the Trustee its agent and attorney-in-fact for purposes of enforcing all rights, title and interests of the I-Bank under the Loan Agreements, except for the enforcement of all rights, title and interests of the I-Bank relating to the payment by the Borrower of the Administrative Fee and otherwise, subject to the provisions of this Section.

SECTION 7.03. Termination of Loan Agreements. Upon the payment in full of all amounts due under a Loan Agreement, the I-Bank shall cancel the obligation of the Borrower evidenced by such Loan Agreement and terminate and release all security interests and liens created under such Loan Agreement and the I-Bank and the Trustee shall take any other action required of the I-Bank or the Trustee in such Loan Agreement in connection with such cancellation, termination and release, including (without limitation) the execution of all relevant documents in connection with such actions.

SECTION 7.04. Loan Files. After each Loan Closing, the Trustee shall retain all the documents received by it pursuant to Article VI hereof in connection with such Loan Closing or in connection with the Loan made at such Loan Closing in a file pertaining to such Loan, to which file the Trustee shall add from time to time: (i) all records and other documents pertaining to disbursements of amounts to the Borrower under the Loan Agreement and to Loan Repayments and other amounts received by the Trustee under such Loan Agreement; and (ii) all communications from or received by the Trustee with respect to such Loan. Such file shall be kept at the Principal Office of the Trustee and shall be available for inspection by the I-Bank and its agents at reasonable times and under reasonable circumstances.

SECTION 7.05. Trustee’s Obligations. The Trustee shall observe and perform all duties, covenants, obligations and agreements of the I-Bank under each Loan Agreement to the extent specified herein.
ARTICLE VIII

GENERAL COVENANTS

SECTION 8.01. Payment of Bonds. The I-Bank shall pay or cause to be paid the principal or Redemption Price of and interest on every Bond of each Series on the date, at the place and in the manner provided herein, in the Applicable Supplemental Resolution and in such Bonds, according to the true intent and meaning thereof; provided, however, that the Bonds of each Series are special obligations of the I-Bank, the principal or Redemption Price of and interest on which are payable by the I-Bank solely from the Trust Estate.

The Bonds of each Series shall not be payable from the general funds of the I-Bank and shall not constitute a legal or equitable pledge of, or lien or encumbrance upon, any of the assets or property of the I-Bank or upon any of its income, receipts or revenues, except as provided in this Bond Resolution. The full faith and credit of the I-Bank are not pledged, either expressly or by implication, to the payment of the Bonds. The I-Bank has no taxing power and has no claim on any revenues or receipts of the State of New Jersey or any agency or political subdivision thereof or any Borrower except as expressly provided in a Borrower’s Loan Agreement.

SECTION 8.02. Observance and Performance of Duties, Covenants, Obligations and Agreements; Representations as to Authorization and Validity of Bonds. The I-Bank shall faithfully observe and perform at all times all of its duties, covenants, obligations and agreements contained in the Loan Agreements or in any Bond executed, authenticated and delivered under this Bond Resolution and any Supplemental Resolution or in any proceedings of the I-Bank pertaining thereto.

The I-Bank represents and covenants that: (i) it is duly authorized under the Constitution and laws of the State of New Jersey, particularly the Act, to issue the Bonds of each Series, to enter into the Loan Agreements and the Master Program Trust Agreement and to pledge the Trust Estate in the manner and to the extent set forth in this Bond Resolution and as shall be set forth in any Supplemental Resolution; (ii) all action on its part for the issuance of the Bonds of each Series will be duly and effectively taken; and (iii) the Bonds of each Series in the hands of the Holders thereof will be valid and binding special obligations of the I-Bank enforceable according to their terms.

SECTION 8.03. Liens, Encumbrances and Charges. The I-Bank shall not create or cause to be created and shall not suffer to exist, any lien, encumbrance or charge upon the Trust Estate except the pledge, lien and charge created for the security of Holders of the Bonds. To the extent Revenues are received, the I-Bank will cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands that if unpaid might by law become a lien upon the Trust Estate; provided, however, that nothing contained in this Section shall require the I-Bank to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

So long as Bonds of any Series shall be Outstanding, the I-Bank shall not issue any bonds, notes or other evidences of indebtedness, other than such Bonds, secured by any pledge of or other lien or charge on the Trust Estate. Notwithstanding the foregoing, the I-Bank may issue future series of bonds, notes or other evidences of indebtedness that have an interest in the Master Program Trust Account to the extent set forth in the Master Program Trust Agreement. Nothing in this Bond Resolution is intended to or shall affect the right of the I-Bank to issue bonds, notes and other obligations under other resolutions or indentures for any of its other purposes.
SECTION 8.04. Accounts and Audits. The I-Bank shall keep, or cause to be kept, proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Loans, this Bond Resolution and any Supplemental Resolution, which books and accounts (at reasonable hours and subject to the reasonable rules and regulations of the I-Bank) shall be subject to the inspection of the Trustee and any Holder of any Bonds or their agents or representatives duly authorized in writing. The I-Bank shall cause such books and accounts to be audited annually by a nationally recognized independent certified public accountant selected by the I-Bank. Annually, not later than December 1 of each year with respect to the fiscal year of the I-Bank ended on the immediately preceding June 30, a signed copy of such report shall be furnished by the I-Bank to the Trustee. Such report shall include at least: (i) a statement of all funds and accounts (including investments thereof) held by the Master Program Trustee pursuant to the provisions of the Master Program Trust Agreement; and (ii) a statement of the Revenues, Administrative Fees and State Administrative Fees collected in connection with this Bond Resolution. The Trustee has no obligation to review the contents of such report, shall not be deemed to have knowledge of its contents, and shall receive and hold such report solely for the convenience of the Holders.

SECTION 8.05. Further Assurances. The I-Bank will pass, make, do, execute, acknowledge and deliver any and all such further resolutions, indentures, actions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Bond Resolution and for the better assuring and confirming unto the Holders of Bonds the rights and benefits provided in this Bond Resolution, including exercising its State aid intercept powers pursuant to the Act.

SECTION 8.06. Tax Rebate.

1. In connection with the issuance of any Series of Bonds an Authorized Officer of the I-Bank is authorized to execute on behalf of the I-Bank a Certificate as to arbitrage (including the Tax Certificate), a letter of instructions as to certain requirements of the Code, or any similar documents relating to the characterization of such Series of Bonds as not being “arbitrage bonds” within the meaning of Sections 103(a)(2) and 148 of the Code.

2. Any amounts required to be set aside for rebate or to satisfy a yield restriction requirement to the Internal Revenue Service pursuant to any letter of instructions or certificate as to arbitrage shall be considered a loss for purposes of determining “Net Earnings” pursuant to Section 5.10 hereof.

SECTION 8.07. Application of Loan Prepayments. Upon the prepayment, in whole or in part, of any Loan, the I-Bank shall elect to apply such prepayment proceeds either (i) to the redemption of Bonds on the next succeeding call date in accordance with Article IV, or (ii) to the payment of Bonds in accordance with Section 12.01. The I-Bank may only consent to Loan prepayments pursuant to the Loan Agreements if it simultaneously delivers to the Trustee (i) a certificate of an independent public accountant demonstrating that the aggregate I-Bank Bond Loan Repayments due pursuant to the Loan Agreements after such prepayment shall be sufficient to pay when due the principal of and interest on all Bonds outstanding after giving effect to the I-Bank’s election required in the immediately preceding sentence, and (ii) irrevocable instructions to effectuate such election regarding the application of prepayment proceeds. The I-Bank shall give notice to Fitch Ratings, Inc., Standard & Poor’s Corporation and Moody’s Investors Service, Inc. of any such Loan prepayments and its application of the proceeds thereof. The posting of any such notice to the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board shall constitute notice to Fitch Ratings, Inc., Standard & Poor’s Corporation and Moody’s Investors Service, Inc. for purposes of this paragraph.
ARTICLE IX

DEFAULT PROVISIONS AND REMEDIES
OF TRUSTEE AND BONDHOLDERS

SECTION 9.01. Defaults; Events of Default. If any of the following events occurs, it is hereby defined as and declared to be and to constitute an “Event of Default” for the Bonds of all Series then Outstanding:

(a) default in the due and punctual payment of any interest on any Bond; or

(b) default in the due and punctual payment of the principal or Redemption Price of any Bond whether at the stated maturity thereof or on any date fixed for the redemption of such Bond; or

(c) if (i) the I-Bank shall be adjudicated a bankrupt or become subject to an order for relief under federal bankruptcy law, (ii) the I-Bank shall institute a proceeding seeking an order for relief under federal bankruptcy law or seeking to be adjudicated a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or all of its debts under New Jersey bankruptcy or insolvency law, (iii) with the consent of the I-Bank, there shall be appointed a receiver, liquidator or similar official for the I-Bank under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or (iv) without the application, approval or consent of the I-Bank, a receiver, trustee, liquidator or similar official shall be appointed for the I-Bank under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or a proceeding described in clause (ii) above shall be instituted against the I-Bank and such appointment continues undischarged or such proceeding continues undischarged or unstayed for a period of sixty (60) consecutive days; or

(d) if (i) the I-Bank shall make an assignment for the benefit of creditors, (ii) the I-Bank shall apply for or seek the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (iii) the I-Bank shall fail to file an answer or other pleading denying the material allegations of any proceeding filed against it described under clause (ii) of paragraph (c) of this Section, (iv) the I-Bank shall take any action to authorize or implement any of the actions set forth in paragraph (c) or (d) of this Section, (v) the I-Bank shall fail to contest in good faith any appointment or proceeding described in paragraph (c) or (d) of this Section or (vi) without the application, or approval or consent of the I-Bank, a receiver, trustee, examiner, liquidator or similar official shall be appointed for any substantial part of the I-Bank’s property and such appointment shall continue undischarged or such proceedings shall continue undismissed or unstayed for a period of sixty (60) consecutive days; or

(e) the I-Bank shall default in the performance or observance of any other of the duties, covenants, obligations, agreements or conditions on the part of the I-Bank to be performed or observed under this Bond Resolution or the Bonds of each Series, which default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall be given to the I-Bank by the Trustee or the Bondholders in accordance with Section 9.10 hereof.

SECTION 9.02. Acceleration of Bonds; Remedies. If an Event of Default described in Section 9.01 shall occur for any Series of Bonds, the Trustee may, and at the written request of the Holders of a majority in aggregate principal amount of the Outstanding Bonds shall, by telephonic notice to the I-Bank (promptly confirmed in writing) declare the principal of all Bonds then Outstanding to be due and payable; provided, however, that before making such declaration, the Trustee shall give thirty (30) days’ notice to the I-Bank. Upon any such declaration, the Trustee shall forthwith give notice thereof to the Borrowers and the Paying Agents.
At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy under this Bond Resolution, the Trustee, by written notice to the I-Bank, may annul such declaration and its consequences if: (i) moneys shall have accumulated in the Interest Account and the Principal Account in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last Interest Payment Date) and the principal then due on all Bonds (except the principal on any such Bonds due solely as a result of any such declaration of acceleration); (ii) moneys shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; and (iii) every other default known to the Trustee in the observance or performance of any duty, covenant, obligation, condition or agreement contained in the Bonds or in this Bond Resolution, shall have been remedied to the satisfaction of the Trustee; provided, however, that such declaration may be annulled only with the written consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding and not then due by their terms. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Upon the occurrence of an Event of Default, the Trustee shall also have the following rights and remedies:

(a) the Trustee shall, at the direction of the Holders of a majority in aggregate principal amount of the Outstanding Bonds, and upon being indemnified to its reasonable satisfaction, pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on the Bonds then Outstanding, including (without limitation) the right (to the extent legally enforceable) to, by written notice to the I-Bank, declare the principal of the bonds then outstanding to be due and payable of any Borrower whose actions have directly or indirectly caused any such Event of Default and including the enforcement of any other rights of the I-Bank or the Trustee under the Loan Agreements;

(b) the Trustee by action or suit in equity may require the I-Bank to account as if it were the trustee of an express trust for the Holders of Bonds and may take such action with respect to the Loan Agreements as the Trustee deems necessary or appropriate and in the best interest of the Holders of Bonds, subject to the terms of such Loan Agreements; and

(c) upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Holders of Bonds under this Bond Resolution, the Trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate and the issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

If an Event of Default shall have occurred with respect to any Bonds, and if requested so to do by the Holders of a majority in principal amount of the Bonds then Outstanding, and upon being indemnified to its reasonable satisfaction therefor, the Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by this Section as the Trustee shall deem most expedient in the interests of the Holders of Bonds.

No right or remedy by the terms of this Bond Resolution conferred upon or reserved to the Trustee (or to the Holders of Bonds) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to Trustee or to such Holders hereunder or now or hereafter existing at law or in equity or by statute other than pursuant to the Act. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.
No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Holders of any Bonds in default, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

SECTION 9.03. Right of Holders of a Series of Bonds to Direct Proceedings. Anything in this Bond Resolution to the contrary notwithstanding, but subject to Section 9.07 hereof, the Holders of a majority in aggregate principal amount of Bonds in default then Outstanding shall have the right at any time during the continuance of an Event of Default of such Bonds, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Bond Resolution, or for the appointment of a receiver or any other proceedings hereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Bond Resolution.

SECTION 9.04. Reserved.

SECTION 9.05. Application of Moneys. All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions of this Article upon any acceleration of the due date for the payment of the principal of and interest on the Bonds in default (including, without limitation, moneys received by virtue of action taken under provisions of any Loan Agreement, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee (including reasonable attorney fees) and any other moneys owed to the Trustee in connection with such Bonds hereunder), shall be applied, first, to the payment of the interest then due and unpaid upon the Bonds in default and, second, to the payment of the principal then due and unpaid upon the Bonds in default, to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond in default until such obligation shall be presented to the Trustee for appropriate endorsement or for cancellation (as the case may be).

SECTION 9.06. Remedies Vested in Trustee. All rights of action (including, without limitation, the right to file proofs of claims) under this Bond Resolution or under any of the Bonds in default may be enforced by the Trustee without possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the equal and ratable benefit of the Holders of all the Outstanding Bonds without the necessary of joining as plaintiffs or defendants any Holders of such Bonds.

SECTION 9.07. Rights and Remedies of Holders of Bonds. No Holder of Bonds then Outstanding in default shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Bond Resolution or for the execution of any trust hereof or for the appointment of
a receiver or any other remedy hereunder, unless (a) an Event of Default shall have occurred, (b) the owners
of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request
to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies
hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) the Holders shall
have offered to the Trustee reasonable indemnity satisfactory to the Trustee against the costs, expenses and
liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused, or for sixty
(60) days after receipt of such request and offer of indemnification shall have failed to exercise the remedies
hereinbefore granted, or to institute such action, suit or proceeding in its own name, and such request and
offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent
to the execution of the powers and trusts of this Bond Resolution, and to any action or cause of action for
the enforcement of this Bond Resolution, or for the appointment of a receiver or for any other remedy
hereunder. It is understood and intended that no one or more Holders of the Bonds shall have any right in
any manner whatsoever to affect, disturb or prejudice the lien of this Bond Resolution by his or their action
or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or
in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable
benefit of the Holders of all Bonds then Outstanding; provided, however, that nothing contained in this
Bond Resolution shall affect or impair the right of the Holder of any Bond to enforce the payment of the
principal or Redemption Price of and interest on such Bond at and after the maturity thereof, or the
obligation of the I-Bank to pay the principal or Redemption Price of and interest on each of the Bonds
issued hereunder to the respective Holders thereof at the time and place, from the source and in the manner
expressed in the Bonds and in this Bond Resolution and the Applicable Supplemental Resolution.

SECTION 9.08. Termination of Proceedings. In case the Trustee or a Holder of a Bond in
default shall have proceeded to enforce any right under this Bond Resolution by the appointment of a
receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or
shall have been determined adversely to the Trustee or such Holder, then and in every such case the I-Bank,
the Trustee and the Holders of Bonds shall be restored to their former positions and rights hereunder,
respectively, and all rights, remedies and powers of the Trustee and the Holders shall continue as if no such
proceedings have been taken.

SECTION 9.09. Waivers of Events of Default. The Trustee may and, upon the written request
of the Holders of not less than 25% in aggregate principal amount of all Bonds in default then Outstanding,
shall waive any Event of Default which in its opinion shall have been remedied before the completion of
the enforcement of any remedy under this Bond Resolution; but no such waiver shall extend to any
subsequent or other Event of Default, or impair any rights consequent thereon.

Anything herein to the contrary notwithstanding, no Default under Section 9.01(e) hereof shall constitute
an Event of Default until actual notice of such Default shall be given to the I-Bank by registered or certified
mail by the Trustee or by the Holders of a majority in aggregate principal amount of all Bonds then
Outstanding and the I-Bank shall not have corrected the Default or caused the Default to be corrected within
thirty (30) days following the giving of such notice; provided, however, that if the Default be such that it is
correctable but cannot be corrected within the applicable period, it shall not constitute an Event of Default
if corrective action is instituted by the I-Bank within the applicable period and diligently pursued until the
Default is corrected.

The I-Bank hereby grants to the Trustee full authority for the account of the I-Bank to observe or
perform any duty, covenant, obligation or agreement alleged in any alleged Default concerning which
notice is given to the I-Bank under the provisions of this Section in the name and stead of the I-Bank with
full power to do any and all things and acts to the same extent that the I-Bank could do and perform any
such things and acts and with power of substitution.
ARTICLE X

FIDUCIARIES

SECTION 10.01. Appointments, Duties, Immunities and Liabilities of Trustee. ZB, National Association d/b/a Zions Bank and any successors and assigns thereto, has been appointed as Trustee by the I-Bank. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Bond Resolution and all other agreements with the I-Bank, including, without limitation, the Master Program Trust Agreement, by executing and delivering to the I-Bank a written acceptance thereof, and by executing such acceptance the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Bonds thereafter to be validly issued, but only, however, upon the terms and conditions set forth in this Bond Resolution and all other agreements with the I-Bank, including, without limitation, the Master Program Trust Agreement.

SECTION 10.02. Paying Agents; Appointments.

1. The Trustee is hereby appointed Paying Agent and shall also act as registrar for the Series 2018A-2 Bonds. The I-Bank shall appoint one or more Paying Agents for the Bonds of each additional Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 10.13 for a successor Paying Agent. There shall be no limitation upon the ability of the I-Bank to appoint the Trustee to serve as a Paying Agent, provided that the Trustee otherwise satisfies the qualifications set forth herein (including, without limitation and as applicable, the qualifications set forth in Section 10.13 for a successor Paying Agent) that are applicable to a Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Bond Resolution by executing and delivering to the I-Bank and to the Trustee a written acceptance thereof.

3. Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the I-Bank for the payment of the interest on and principal or Redemption Price of the Bonds.

4. The I-Bank may enter into agreements with any Paying Agent providing for the payment to the I-Bank of amounts in respect of interest earned on moneys held by such Paying Agent for the payment of principal or Redemption Price of and interest on Bonds. Any such payments to the I-Bank shall be deposited in the I-Bank Bond Loan Repayments Account within the Revenue Fund and applied as Revenues.

SECTION 10.03. Responsibilities of Fiduciaries.

1. The recitals of fact contained herein and in the Bonds shall be taken as the statements of the I-Bank and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representation as to the validity or sufficiency of this Bond Resolution or of any Bonds issued thereunder or as to the security afforded by this Bond Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its authentication certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the I-Bank or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of subsection 2 of this Section 10.03, no Fiduciary shall be liable in
connection with the observance and performance of its duties and obligations hereunder except for its own negligence or misconduct.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and obligations and only such duties and obligations as are specifically set forth in this Bond Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers invested in it by this Bond Resolution, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Bond Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 10.03.


1. Each Fiduciary, upon receipt of any notice, Supplemental Resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Bond Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Bond Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with Counsel, who may or may not be counsel to the I-Bank, and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Bond Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Bond Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of an Authorized Officer of the I-Bank, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Bond Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

3. Except as otherwise expressly provided in this Bond Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the I-Bank to any Fiduciary shall be sufficiently executed in the name of the I-Bank by an Authorized Officer of the I-Bank.

SECTION 10.05. Compensation. The I-Bank shall pay each Fiduciary from time to time reasonable compensation for all services rendered under this Bond Resolution, including in that limitation the services rendered pursuant to Section 12.01, and also all reasonable expenses incurred in and about the performance of their powers and duties under this Bond Resolution and each Fiduciary shall have a lien therefor on any and all funds and accounts at any time held by it under this Bond Resolution, other than the Project Loan Account in the Project Fund. Subject to the provisions of Section 10.03, the I-Bank further agrees to indemnify and save each Fiduciary harmless against any losses, liabilities and expenses (including reasonable legal fees) which it may incur in the exercise and performance of its powers, duties and obligations hereunder, other than losses, liabilities and expenses (including legal fees) attributable to the negligence, bad faith, breach of contract or misconduct of the Fiduciary, arising out of or as a result of the Fiduciary performing its obligations under this Bond Resolution or undertaking any transaction contemplated by this Bond Resolution; provided, however, that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 et seq. and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.
Each Fiduciary agrees as follows:

1. The Fiduciary shall give the I-Bank prompt notice in writing of any actual or potential claim described above and the institution of any suit or action;

2. The Fiduciary shall not adjust, settle or compromise any such claim, suit or action without the approval of I-Bank; and

3. The Fiduciary shall permit the I-Bank, if the I-Bank so chooses, to assume full control of the adjustment settlement, compromise or defense of each such claim, suit or action.

While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq., is not applicable by its terms to claims arising under contracts with the I-Bank, each Fiduciary agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the I-Bank arising under this Section 10.05.

The indemnification provided in this Section 10.05 does not apply or extend to any indemnification given by a Fiduciary to any other person.

SECTION 10.06. Certain Permitted Acts. Any Fiduciary may become the Holder of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Bond Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

SECTION 10.07. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Bond Resolution by giving not less than one hundred twenty (120) days’ written notice to the I-Bank, and mailing notice thereof to the Holders of the Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the I-Bank or the Bondholders as provided in Section 10.09, in which event such resignation shall take effect immediately on the appointment of such successor, or unless a successor shall not have been appointed by the I-Bank or the Bondholders as provided in Section 10.09 on that date, in which event such resignation shall not take effect until a successor is appointed.

SECTION 10.08. Removal of Trustee. The Trustee may be removed at any time: (i) by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the I-Bank, (ii) so long as no Event of Default, or any event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, for just cause by a resolution of the I-Bank filed with the Trustee, (iii) upon a determination by the I-Bank, in its sole discretion, that the compensation charged by the Trustee is excessive for the duties, obligations and other services to be performed by the Trustee pursuant to this Bond Resolution, such determination by the I-Bank to be establish by a resolution adopted by the I-Bank and filed with the Trustee no less than 30 days prior to the effective date of such termination, or (iv) for any reason to be determined by the I-Bank, in its sole discretion, and without any requirement that just cause be demonstrated, such determination by the I-Bank to be establish by a resolution adopted by the I-Bank and filed with the Trustee no less than 30 days prior to the effective date of such termination, provided, however, that the provisions of this clause (iv) shall not be implemented by the I-Bank more frequently.
than once every fifth year. Notwithstanding any other provision in this Article X, no removal of the Trustee shall take effect until a successor shall be appointed pursuant to the provisions of Section 10.09.

SECTION 10.09. Appointment of Successor Trustee.

1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the I-Bank by a duly executed written instrument signed by an Authorized Officer of the I-Bank, but if the I-Bank does not appoint a successor Trustee within forty-five (45) days then by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the I-Bank, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the I-Bank and the predecessor Trustee. After such appointment of a successor Trustee, the I-Bank shall mail notice of any such appointment made by it or the Bondholders to the Holders of the Bonds then Outstanding.

2. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the I-Bank written notice as provided in Section 10.07 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association in good standing, qualified to do business in the State of New Jersey (to the extent such requirement is applicable to such Trustee), duly authorized to exercise trust powers, subject to examination by federal or state authority, having capital stock and surplus aggregating at least $50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Bond Resolution.

SECTION 10.10. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Bond Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the I-Bank, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the I-Bank, or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Bond Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the I-Bank be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the I-Bank. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

SECTION 10.11. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger,
conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business; provided, such company (i) shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and (ii) shall be authorized by law to perform all the duties imposed upon it by this Bond Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 10.12. Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Bond Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Bond Resolution provided that the certificate of the Trustee shall have.

SECTION 10.13. Resignation or Removal of Paying Agent; Appointment of Successor.

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Bond Resolution by giving at least one hundred twenty (120) days written notice to the I-Bank, the Trustee and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the I-Bank. Any successor Paying Agent shall be appointed by the I-Bank with the written approval of the Trustee and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least $50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all duties imposed upon it by this Bond Resolution.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.
ARTICLE XI

AMENDMENTS

SECTION 11.01. Supplemental Resolutions Effective Upon Filing With Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the I-Bank may be adopted, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the I-Bank, shall be fully effective in accordance with its terms:

(a) To close this Bond Resolution against, or provide limitations and restrictions contained in this Bond Resolution on, the authentication and delivery of Bonds;

(b) To add to the duties, covenants, obligations and agreements of the I-Bank in this Bond Resolution, other duties, covenants, obligations and agreements to be observed and performed by the I-Bank which are not contrary to or inconsistent with this Bond Resolution as theretofore in effect;

(c) To add to the limitations and restrictions in this Bond Resolution, other limitations and restrictions to be observed by the I-Bank which are not contrary to or inconsistent with this Bond Resolution as theretofore in effect;

(d) To authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in Article II, and also any other matters and things relative to such Bonds including whether to issue Bonds in book entry forms, which are not contrary to or inconsistent with this Bond Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination contained in Article II at any time prior to the first authentication and delivery of such Bonds;

(e) To confirm as further assurance, any security interest, pledge or assignment under this Bond Resolution, and the subjection of the Revenues or of any other moneys, securities or funds to any security interest, pledge or assignment created or to be created by this Bond Resolution;

(f) To modify any of the provisions of this Bond Resolution in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

(g) To modify any of the provisions of this Bond Resolution in any respect provided that the modifications affect only Bonds issued subsequent to the date of such modifications; or

(h) To comply with the provisions of any federal or state securities law, including, without limitation, the Trust Indenture Act of 1939, as amended, or to comply with Section 103 of the Code, as amended, replaced or substituted.

If the Supplemental Resolution adopted by the I-Bank pursuant to this Section materially increases the duties and responsibilities of the Trustee hereunder, the I-Bank shall reasonably compensate the Trustee for such materially increased duties and responsibilities.
SECTION 11.02. Supplemental Resolutions Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Officer of the I-Bank, (ii) the filing with the I-Bank of an instrument in writing made by the Trustee consenting thereto, and (iii) the filing with the I-Bank and the Trustee of an opinion of Bond Counsel to the effect that such Supplemental Resolution will not adversely affect the exclusion from gross income of the interest on the Series 2018A-2 Bonds for federal income tax purposes, shall be fully effective in accordance with its terms:

(a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provisions in this Bond Resolution;

(b) To insert such provisions clarifying matters or questions arising under this Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with this Bond Resolution as theretofore in effect;

(c) In connection with the appointment by the I-Bank of a fiduciary other than the Trustee to perform any of the duties and/or services to be performed by the Trustee pursuant to Section 5.04 hereof, to the extent such modification or amendment of this Bond Resolution which will not have a material adverse effect on the interests of Bondholders; or

(d) To make any other modification or amendment of this Bond Resolution which will not have a material adverse effect on the interests of Bondholders.

In making any determination under this Section 11.02, the Trustee may conclusively rely upon an opinion of Bond Counsel.

SECTION 11.03. Supplemental Resolutions Effective With Consent of Bondholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by the Bondholders in accordance with and subject to the provisions of Sections 11.06 and 11.07, which Supplemental Resolution, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Officer of the I-Bank, (ii) compliance with the provisions of said Sections 11.06 and 11.07, (iii) the filing with the I-Bank and the Trustee of an opinion of Bond Counsel to the effect that such Supplemental Resolution will not adversely affect the exclusion from gross income of the interest on the Series 2018A-2 Bonds for federal income tax purposes, shall become fully effective in accordance with its terms as provided in said Section 11.07. Provided, however, that, any Supplemental Resolution which by its terms only affects one or more Series of Bonds may be adopted subject to the consent of the Bondholders of the Series or Series of Bonds so affected.


1. This Bond Resolution shall not be modified or amended in any respect except by Supplemental Resolution as provided in and in accordance with and subject to the provisions of this Article XI. Nothing contained in this Article XI shall affect or limit the right or obligation of the I-Bank to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of this Bond Resolution or the right or obligation of the I-Bank to execute and deliver to any Trustee any instrument which elsewhere in this Bond Resolution it is provided shall be delivered to said Trustee.

2. Any Supplemental Resolution referred to and permitted or authorized by Section 11.01 or 11.02 may be adopted by the I-Bank without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by an opinion of
Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of this Bond Resolution, is authorized or permitted by this Bond Resolution, and is valid and binding upon the I-Bank in accordance with its terms.

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Sections 11.01, 11.02 or 11.03 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of Bond Counsel that such Supplemental Resolution is authorized or permitted by the provisions of this Bond Resolution.

4. No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without their written assent thereto.

SECTION 11.05. Mailing. Any provision in this Article for the mailing of a notice or other paper to Holders of Bonds shall be fully complied with if it is mailed, postage prepaid only, to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the I-Bank.

SECTION 11.06. Powers of Amendment by Supplemental Resolution. Unless otherwise permitted under Section 11.01 or Section 11.02, any modification or amendment of this Bond Resolution and of the rights and obligations of the I-Bank and of the Holders of the Bonds thereunder, in any particular, may be made only by a Supplemental Resolution with the written consent (i) of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds Outstanding at the time such consent is given, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the terms of any sinking fund installment, of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such obligation, or shall reduce the percentages or otherwise affect the classes of Bonds, the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Trustee without their written assent thereto. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Bond Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity would be affected by any modification or amendment of this Bond Resolution and any such determination shall be binding and conclusive on the I-Bank and all Holders of Bonds. In taking such action, the Trustee may rely upon the opinion of Bond Counsel. For purposes of this Section, the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale.

SECTION 11.07. Consent of Bondholders. The I-Bank may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 11.06 to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Holders of Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the I-Bank to Holders of Bonds (but
failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section provided). Such Supplemental Resolution shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of the Holders of the percentages of Outstanding Bonds specified in Section 11.06 and (b) an opinion of Bond Counsel addressed to the Trustee stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the I-Bank in accordance with the provisions of this Bond Resolution, is authorized or permitted by this Bond Resolution, and is valid and binding upon the I-Bank and enforceable in accordance with its terms. It shall not be necessary that the consents of Holders of Bonds approve the particular form of wording of the proposed modification or amendment or of the proposed Supplemental Resolution effecting such modification or amendment, but it shall be sufficient if such consents approve the substance of the proposed amendment or modification. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.02. A Certificate or Certificates executed by the Trustee and filed with the I-Bank stating that it has examined such proof and that such proof is sufficient in accordance with Section 12.02 shall be conclusive that the consents have been given by the Holders of the Bonds described in such Certificate or Certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 12.02 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 11.07 provided for is filed, such revocation and proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 12.02. The fact that a consent has not been revoked may likewise be proved by a Certificate of the Trustee filed with the I-Bank to the effect that no revocation thereof is on file with the Trustee.

At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the I-Bank a written statement that the Holders of such required percentages of such Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the I-Bank on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 11.07, may be given to Bondholders by the I-Bank by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 11.07 provided). The I-Bank shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 11.07 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the I-Bank, the Fiduciaries and the Holders of all Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof of the mailings of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that any Fiduciary and the I-Bank during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as it may deem expedient.

SECTION 11.08. Modifications or Amendments by Unanimous Consent. The terms and provisions of this Bond Resolution and the rights and obligations of the I-Bank and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the I-Bank of a Supplemental Resolution and the consent thereto of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in Section 11.07 except that no notice to Holders of Bonds either by
mailing or publication shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Holders of Bonds.

**SECTION 11.09. Exclusion of Bonds.** Bonds owned or held by or for the account of the I-Bank shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI, and the I-Bank shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the I-Bank shall furnish to the Trustee a Certificate of an Authorized Officer of the I-Bank, upon which the Trustee may rely, describing all Bonds so to be excluded.

**SECTION 11.10. Notation on Bonds.** Bonds authenticated and delivered after the effective date of any Supplemental Resolution pursuant to this Article XI may, and, if the I-Bank or the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the I-Bank and the Trustee as to any modification or amendment provided for in such Supplemental Resolution and, in that case upon demand of the Holder of any Bond Outstanding and upon presentation of any Bond for such purpose at the Principal Office of the Trustee, a suitable notation shall be made on such Bond. If the I-Bank or the Trustee shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the I-Bank, to any modification or amendment contained in such Supplemental Resolution, shall be prepared, authenticated and delivered and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series, principal amount, maturity and interest rate then Outstanding, upon surrender of such Bonds. Any action taken as in Article X or this Article XI provided shall be effective and binding upon all Bondholders notwithstanding that the notation is not endorsed on all Bonds.

**SECTION 11.11. Effect of Supplemental Resolution.** Upon the effective date of any Supplemental Resolution, this Bond Resolution shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, covenants, obligations and agreements under this Bond Resolution of the I-Bank, the Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Resolution shall be deemed to be part of the terms and conditions of this Bond Resolution for any and all purposes.

**SECTION 11.12. Amendment of Loan Agreements.** The I-Bank shall not supplement, amend, modify or terminate any Loan Agreement, or consent to any such supplement, amendment, modification or termination, without the written consent of the Trustee, which consent shall not be unreasonably withheld. The Trustee shall give such written consent only if (a) (i) in the opinion of the Trustee, after such supplement, amendment, modification or termination is effective, such Loan Agreement shall continue to meet the requirements of Article VI of this Bond Resolution or (ii) the Trustee first obtains the written consent of the Holders of a majority in aggregate principal amount of the Outstanding Bonds to such supplement, amendment, modification or termination, such written consent being obtained by the Trustee at the sole expense of the Borrower which is a party to the Loan Agreement which is the subject of the supplement, amendment, modification or termination and (b) the Trustee first obtains an opinion of Bond Counsel to the effect that such supplement, amendment, modification or termination will not adversely affect the exclusion from gross income of the interest on the Series 2018A-2 Bonds for federal income tax purposes. In making any determination under this Section 11.12, the Trustee may conclusively rely upon an opinion of Bond Counsel.
Notwithstanding any other provision in this Section, (a) the I-Bank may supplement, amend or modify any Loan Agreement without the consent of the Trustee or any Bondholder (i) for the purposes set forth in Section 5.02 hereof, including, without limitation, for the purposes of revising or substituting Exhibit C to the Loan Agreement for the reasons set forth in Section 3.03A of the Loan Agreement and Section 5.02 hereof, (ii) for the purpose of amending, supplementing or modifying Section 2.02(p) of the Loan Agreement, and (iii) for the purpose of amending, supplementing or modifying Exhibit H to the Loan Agreement prior to the execution and delivery thereof, and (b) the I-Bank may terminate any Loan Agreement (subject to the termination provisions thereof) without the consent of the Trustee or any Bondholder in the event that all payment obligations thereunder have been satisfied by the respective Borrower in full.

SECTION 11.13. Notice of Amendments. Promptly after the adoption by the I-Bank of any Supplemental Resolution, the Trustee shall mail by first class mail, postage prepaid, a notice, setting forth in general terms the substance thereof, to the Bondholders of a Series of Bonds affected by such amendment. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Resolution.
ARTICLE XII
DEFEASANCE

SECTION 12.01. Defeasance of Bonds.

1. If the I-Bank shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds of any Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in this Bond Resolution, then the pledge of the Trust Estate, and all duties, covenants, agreements and other obligations of the I-Bank to the Bondholders of such Series, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the I-Bank to be prepared and filed with the I-Bank and, upon the request of the I-Bank, shall execute and deliver to the I-Bank all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the I-Bank all moneys or securities held by it pursuant to this Bond Resolution which are not required for the payment of principal or Redemption Price, if applicable, and interest due or to become due on Bonds of any Series not theretofore surrendered for such payment or redemption and any amounts owed to any Fiduciary. If the I-Bank shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Outstanding Bonds of any Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under this Bond Resolution, and all duties, covenants, agreements and obligations of the I-Bank to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Notwithstanding any other provision in this Article XII, all duties, covenants, agreements and obligations of the I-Bank to the Holders relating to the exclusion of interest from gross income of the Holders of such Bonds for federal income tax purposes shall survive the defeasance of the Bonds.

2. Bonds (which can be an entire series or portion thereof) or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the I-Bank of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section. Subject to the provisions of subsections (3) through (5) of this Section, Outstanding Bonds of any Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their stated maturities, the I-Bank shall have given to the Trustee instructions in writing accepted by the Trustee to mail notice of redemption of such Bonds (other than Bonds of a Series which have been purchased by the Trustee at the written direction of the I-Bank or purchased or otherwise acquired by the I-Bank and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (b) there shall have been deposited with the Trustee (i) either moneys in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Series of Bonds on or prior to the redemption date or maturity date thereof, as the case may be, (ii) a defeasance opinion of Bond Counsel, and (iii) a verification report of an independent nationally recognized verification agent as to the matters set forth in clause (i), and (c) in the event such Series of Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the I-Bank shall have given the Trustee in form satisfactory to it instructions to mail notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last business day of the month preceding the month for which notice is mailed that the
deposit required by (b) above has been made with the Trustee and that such Series of Bonds are deemed to have been paid in accordance with this Section 12.01 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (5) of this Section 12.01, to be available for the payment of the principal or Redemption Price, if applicable, of such Series of Bonds (other than Bonds which have been purchased by the Trustee at the direction of the I-Bank or purchased or otherwise acquired by the I-Bank and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (a) hereof). Any notice of redemption mailed pursuant to the preceding sentence with respect to any Series of Bonds which constitutes less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section 12.01 to the retirement of said Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in this Bond Resolution.

The Trustee shall, if so directed by the I-Bank (i) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 12.01 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) above with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Investment Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the moneys and Investment Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due or to become due on all Bonds in respect of which such moneys and Investment Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (i) prior to the maturity date of Bonds deemed to have been paid in accordance with Section 12.01 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, the I-Bank shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the I-Bank to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with this Section 12.01. The directions given by the I-Bank to the Trustee referred to in the preceding sentence shall also specify the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 12.01 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 12.01 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 12.01 the total amount of moneys and Investment Securities remaining on deposit with the Trustee under this Section 12.01 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds of such Series in order to satisfy clause (b) of this subsection 2 of Section 12.01, the Trustee shall, if requested by the I-Bank, pay the amount of such excess to the I-Bank free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Bond Resolution. Except as otherwise provided in this subsection 2 and in subsection 3 through subsection 5 of this Section 12.01, neither Investment Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, (A) to the extent such cash will not be

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required at any time for such purpose, shall be paid over to the I-Bank as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under this Bond Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested at the direction of the I-Bank in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the I-Bank, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Bond Resolution.

For the purposes of this Section, Investment Securities shall mean and include only (y) such securities as are described in clause (a) of the definition of “Investment Securities” in Section 1.01 which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or (z) upon compliance with the provisions of subsection 3 of this Section 12.01, such securities as are described in clause (a) of the definition of Investment Securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

3. Investment Securities described in clause (z) of subsection 2 of Section 12.01 may be included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01 only if, in making the determination as to whether the moneys and Investment Securities to be deposited with the Trustee would be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on the Bonds which will be deemed to have been paid as provided in subsection 2 of Section 12.01, such determination is made both (i) on the assumption that the Investment Securities described in clause (z) were not redeemed at the option of the issuer prior to the maturity date thereof and (ii) on the assumptions that such Investment Securities were redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Investment Securities and that the proceeds of such redemption were not reinvested by the Trustee.

4. In the event that after compliance with the provisions of subsection 3 of Section 12.01 the Investment Securities described in clause (z) of subsection 2 of Section 12.01 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01 and any such Investment Securities are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the written direction of the I-Bank shall reinvest the proceeds of such redemption in Investment Securities, provided that the aggregate of the moneys and Investment Securities to be held by the Trustee, taking into account any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the I-Bank in accordance with subsection 5 of Section 12.01, shall at all times be sufficient to satisfy the requirements of clause (b) of subsection 2 of Section 12.01.

5. In the event that after compliance with the provisions of subsection 3 of Section 12.01 the Investment Securities described in clause (z) of subsection 2 of Section 12.01 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01, then any notice of redemption to be published by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the I-Bank, that any redemption date or dates in respect of all of any portion of the Bonds to be redeemed on such date or dates may at the option of the I-Bank be changed to any other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 12.01 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Securities described in clause (z) of subsection 2 of this Section 12.01 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change
of redemption date or dates or establishment of redemption date or dates may be made unless, taking into account such changed redemption date or dates or newly established redemption date or dates, the moneys and Investment Securities on deposit with the Trustee (including any Investment Securities deposited with the Trustee in connection with any reinvestment of redemption proceeds in accordance with subsection 5 of Section 12.01) pursuant to clause (b) of subsection 2 of Section 12.01 would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Bonds deemed to have been paid in accordance with subsection 2 of Section 12.01.

6. Anything in this Bond Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years after the later of (i) the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption or (ii) the date of deposit of such moneys, shall at the written request of the I-Bank be repaid by the Fiduciary to the I-Bank as its absolute property and free from the Trust Estate, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the I-Bank for the payment of such Bonds; provided, however, that before being required to make any such payment to the I-Bank, the Fiduciary shall, at the expense of the I-Bank, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in the Authorized Newspapers, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the I-Bank.

Notwithstanding any other provision in Article XII of this Bond Resolution, all duties, covenants, agreements and obligations of the I-Bank to the Holders relating to the exclusion of interest from gross income of the Holders of the Series 2018A-2 Bonds for federal income tax purposes shall survive the defeasance of the Series 2018A-2 Bonds.

SECTION 12.02. Evidence of Signatures and Ownership of Bonds.

1. Any request, consent, revocation of consent or other instrument which this Bond Resolution or any Supplemental Resolution may require or permit to be signed and executed by the Holders of Bonds of any Series may be in one or more instruments of similar tenor and shall be signed or executed by such Holders of Bonds in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, shall be sufficient for any purpose of this Bond Resolution or any Supplemental Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The fact and date of the execution by any Holder of any Bond or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

2. The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books maintained by the Trustee.

3. Any request or consent by the Holder of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the I-Bank or any Trustee in accordance therewith.
SECTION 12.03. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.
ARTICLE XIII

MARKETING AND SALE OF THE BONDS

SECTION 13.01. Preliminary Official Statement.

1. The Authorized Officers of the I-Bank are hereby severally authorized and directed to prepare a preliminary official statement relating to the Series 2018A-2 Bonds (the “Preliminary Official Statement”), which Preliminary Official Statement shall be in the form, and shall include such provisions, as the Authorized Officer of the I-Bank, after consultation with Bond Counsel and other appropriate professional advisors to the I-Bank, deems in his sole discretion to be necessary or desirable, the delivery thereof by the Authorized Officer of the I-Bank being conclusive evidence of his consent to the provisions thereof.

2. The Authorized Officers of the I-Bank are hereby severally authorized and directed, upon the satisfaction of all of the legal conditions precedent to the delivery of the Preliminary Official Statement by the I-Bank, as determined by the Authorized Officer of the I-Bank in consultation with Bond Counsel, to “deem final” the Preliminary Official Statement, in accordance with the provisions of Rule 15c2-12, and to deliver the Preliminary Official Statement in the form established by the provisions of subsection (1) hereof.

3. The Authorized Officers of the I-Bank are hereby severally authorized and directed to execute any Certificate or document and to take such other actions as may be necessary, relating to any statutes, regulations, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, including, without limitation, Rule 15c2-12, that the Authorized Officer of the I-Bank, after consultation with Bond Counsel, deems necessary or desirable to effect the issuance, marketing and sale of the Series 2018A-2 Bonds, and the transactions contemplated by the Preliminary Official Statement.

SECTION 13.02. Official Statement. The Authorized Officers of the I-Bank are hereby severally authorized and directed to execute and deliver a final official statement relating to the Series 2018A-2 Bonds (the “Official Statement”), in substantially similar form to the Preliminary Official Statement, with such changes thereto as shall be necessary or desirable to reflect the final pricing of the Series 2018A-2 Bonds, as set forth in any documents relating to the sale of the Series 2018A-2 Bonds, and to reflect any other changes required pursuant to any statutes, regulations, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, including, without limitation, Rule 15c2-12, as the Authorized Officer of the I-Bank, after consultation with Bond Counsel and any other appropriate professional advisors to the I-Bank, deems in his sole discretion to be necessary or desirable to effect the issuance of the Series 2018A-2 Bonds and the transactions contemplated by the Official Statement, which delivery thereof by the Authorized Officer of the I-Bank shall conclusively evidence his consent to the provisions thereof.


1. The Authorized Officers of the I-Bank are hereby severally authorized and directed to cause to be published and disseminated in connection with the marketing and sale of the Series 2018A-2 Bonds a notice of sale with respect to the Series 2018A-2 Bonds (the “Notice of Sale”), which Notice of Sale shall set forth, inter alia, the following terms and provisions, which terms and provisions shall be determined by the Authorized Officer of the I-Bank after consultation with Bond Counsel and other appropriate professional advisors to the I-Bank: (i) a summary of the terms of the Series 2018A-2 Bonds; (ii) the criteria pursuant to which the award of the Series 2018A-2 Bonds shall be made by the I-Bank; (iii)
the date and time at which proposals for the purchase of the Series 2018A-2 Bonds shall be accepted by the I-Bank; and (iv) the method by which the bidders for the purchase of the Series 2018A-2 Bonds shall submit their proposals, which proposals shall be submitted to the I-Bank, in compliance with the terms of the Notice of Sale, via a written proposal for Series 2018A-2 Bonds (the “Proposal for Bonds”).

2. The Authorized Officers of the I-Bank are hereby severally authorized and directed to cause (i) the Notice of Sale and the Proposal for Bonds to be disseminated simultaneously with the dissemination of the Preliminary Official Statement and (ii) a summary of the Notice of Sale to be published in compliance with Section 6(d) of the Act at least once in at least three newspapers published in the State and at least once in a publication carrying municipal bond notices and devoted primarily to financial news published in the State or in the City of New York, the first summary Notice of Sale to be published at least five (5) days prior to the date established by the Notice of Sale for the sale of the Series 2018A-2 Bonds.

3. On the date and time established therefore in the Notice of Sale, the Proposals for Bonds shall be received and accepted by the Authorized Officer of the I-Bank. Upon receipt and acceptance of the Proposals for Bonds, the Authorized Officers of the I-Bank are hereby severally authorized and directed to open such Proposals for Bonds and, after consultation with Bond Counsel and other appropriate professional advisors to the I-Bank, accept the successful Proposal for Bonds, such Proposal for Bonds to be determined based upon compliance with the terms of the Notice of Sale relating to the award of the Series 2018A-2 Bonds and after consultation with Bond Counsel and other appropriate professional advisors to the I-Bank.

4. The Authorized Officers of the I-Bank are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the marketing and sale of the Series 2018A-2 Bonds, including, without limitation, such other actions as may be necessary in connection with (i) the procurement of a rating on the Series 2018A-2 Bonds from any rating agency and (ii) the conduct of informational investment meetings; provided, however, that in each such instance the Authorized Officers of the I-Bank shall comply with the provisions of this Section 13.03 and shall consult with Bond Counsel and other appropriate professional advisors to the I-Bank.

5. At the first meeting of the Board of Directors of the I-Bank subsequent to the sale of the Series 2018A-2 Bonds, the Executive Director or other Authorized Officer of the I-Bank shall deliver a report setting forth the details of the sale of the Series 2018A-2 Bonds.

SECTION 13.04. Electronic Dissemination of the Preliminary Official Statement; Electronic Acceptance of Proposals for Bonds; Award of Bonds.

1. Notwithstanding any provision of this Bond Resolution to the contrary, the Authorized Officers of the I-Bank are hereby severally authorized at their discretion to disseminate the Preliminary Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Preliminary Official Statement via such medium, such Authorized Officer of the I-Bank shall otherwise fully comply with the provisions of Section 13.01 hereof.

2. In complying with the provisions of Section 13.03 hereof, the Authorized Officers of the I-Bank are hereby severally authorized at their discretion to accept Proposals for Bonds and complete the award of the Series 2018A-2 Bonds, pursuant to the terms and provisions of the Notice of Sale, by means of electronic media; provided that, with respect to the selection of the particular electronic media and the implementation of the procedures for the exercise thereof, the Authorized Officer of the I-Bank shall consult with Bond Counsel and other appropriate professional advisors to the I-Bank with respect thereto.
SECTION 13.05. Registration or Qualification of Series 2018A-2 Bonds. The Authorized Officers of the I-Bank are hereby severally authorized and directed, in the name and on behalf of the I-Bank, to take any and all actions that they deem necessary and advisable in order to effect the registration or qualification (or exemption therefrom) of the Series 2018A-2 Bonds for offer, sale or trade under the blue sky or securities laws of any of the states of the United States of America, and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports (except consents to service of process in any jurisdiction outside the State) and other papers and instruments which may be required under such laws, and to take any and all further actions that they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the underwriters for such securities.

SECTION 13.06. Establishment of Trust Account in Connection with the Sale of the Series 2018A-2 Bonds. The Authorized Officers of the I-Bank are hereby severally authorized and directed, in consultation with Bond Counsel and other appropriate advisors to the I-Bank, to enter into a trust agreement by and between the I-Bank and ZB, National Association d/b/a Zions Bank, or any successors and assigns thereto, providing for the establishment of a trust account with ZB, National Association d/b/a Zions Bank, or any successors and assigns thereto, (i) for deposit therein (a) at the time of the award of the Series 2018A-2 Bonds, the good faith deposit of the successful bidder for the Series 2018A-2 Bonds, such deposit being required by the terms of the Notice of Sale, and (b) prior to the issuance of the Series 2018A-2 Bonds, such other amounts, the deposit of which may be deemed necessary and desirable by any Authorized Officer of the I-Bank, in consultation with Bond Counsel and other appropriate advisors to the I-Bank, (ii) for withdrawal therefrom, on the date of issuance of the Series 2018A-2 Bonds, (a) the amount deposited in accordance with clause (i)(a) above, to be transferred in accordance with the terms of Section 2.03(7) hereof, (b) the amounts deposited in accordance with clause (i)(b) above, to be transferred in a manner consistent with their purposes to a Fund and Account created hereunder as more fully detailed by the terms of said trust agreement, and (c) the interest earned on all of such amounts to be paid over to the I-Bank for any of its lawful purposes, and (iii) after all of the transfers having been made in accordance with clause (ii) above, for the closing of such trust account on the date of issuance of the Series 2018A-2 Bonds.

SECTION 13.07. Agreements with DTC; Discontinuance of Book-Entry System; Replacement of DTC.

1. In connection with the issuance and sale of the Series 2018A-2 Bonds, the Authorized Officers of the I-Bank are hereby severally authorized and directed to enter into agreements on behalf of the I-Bank with DTC, with such terms and provisions as such Authorized Officer of the I-Bank shall approve upon consultation with Bond Counsel, which agreements shall take effect on the date of delivery of the Series 2018A-2 Bonds.

2. The Authorized Officers of the I-Bank are hereby severally authorized and directed to determine, upon consultation with Bond Counsel, whether or not it is advisable for the I-Bank to continue the book-entry system or to replace DTC with another qualified securities depository as successor to DTC.
ARTICLE XIV

MISCELLANEOUS

SECTION 14.01. Liability of I-Bank Limited to Trust Estate. Notwithstanding anything contained in this Bond Resolution or in the Bonds, the I-Bank shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes in this Bond Resolution, whether for the payment of the principal or Redemption Price of, or interest on, the Bonds or for any other purpose of this Bond Resolution. Nevertheless, the I-Bank may, but shall not be required to, advance for any of the purposes hereof any funds of the I-Bank that may be made available to it for such purposes.

SECTION 14.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Bond Resolution either the I-Bank or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the duties, covenants, obligations and agreements contained in this Bond Resolution by or on behalf of the I-Bank or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof, whether so expressed or not.

SECTION 14.03. Limitation of Rights to Parties. Nothing expressed or implied in this Bond Resolution or in the Bonds is intended or shall be construed to give to any person other than the I-Bank, the Trustee, the Paying Agents and the Holders of Bonds any legal or equitable right, remedy or claims under or in respect of this Bond Resolution or any duty, covenant, obligation, agreement, condition or provision therein or herein contained; and all such duties, covenants, obligations, agreements, conditions and provisions are and shall be for the sole and exclusive benefit of the I-Bank, the Trustee, the Paying Agents and the Holders of Bonds.

SECTION 14.04. Waiver of Notice. Whenever in this Bond Resolution the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 14.05. Destruction of Bonds. Whenever in this Bond Resolution provision is made for the cancellation by the Trustee and the delivery to the I-Bank of any Bonds, unless otherwise requested in writing the I-Bank, in lieu of such cancellation and delivery, the Trustee shall destroy such Bonds (in the presence of an officer of the I-Bank, if the I-Bank shall so require), and deliver a Certificate of such destruction to the I-Bank.

SECTION 14.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Bond Resolution or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Bond Resolution or in the Bonds and such invalidity, illegality or unenforceability shall not affect any other provision of this Bond Resolution, and this Bond Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The I-Bank hereby declares that it would have entered into this Bond Resolution and each and every section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Bond Resolution may be held illegal, invalid or unenforceable.
SECTION 14.07. Notices. Any notices, certificates or other communications required or permitted to be given herein shall be in writing (unless otherwise specifically required or permitted herein) and shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid (unless otherwise specifically required or permitted herein) to the I-Bank, the Trustee, and the Paying Agent at the addresses set forth below:

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

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

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

The I-Bank, the Trustee, and the Paying Agent may designate any further or different address to which subsequent notices and communications shall be sent by giving notice thereof to the other parties hereto.

SECTION 14.08. Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Bond Resolution, Bonds that are owned or held by or for the account of the I-Bank or any Borrower, or by any other primary or secondary obligor on any Loan Agreement, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the I-Bank or any Borrower or any other primary or secondary obligor on any Loan Agreement, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned that have been pledged in good faith may be regarded as Outstanding for the purpose of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee’s right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the I-Bank or any Borrower or any other primary or secondary obligor on any Loan Agreement. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

The determination to be made hereunder by the Trustee with respect to Bonds to be disregarded and deemed not to be Outstanding shall be based upon information that has been brought to the attention of the Trustee. There is no affirmative duty on the part of the Trustee to undertake any investigation in determining Bonds to be disregarded and deemed not to be Outstanding.
SECTION 14.09. Funds and Accounts. Any fund, account or subaccount required by this Bond Resolution to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund, an account or a subaccount, and, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, may be treated either as a fund, an account or a subaccount; but all such records with respect to all such funds, accounts or subaccounts shall at all times be maintained in accordance with generally accepted accounting principles, to the extent practicable, or some other accounting standard recognized by the State or acceptable to the I-Bank.

SECTION 14.10. Waiver of Personal Liability. No member, officer, agent or employee of the I-Bank shall be individually or personally liable for the payment of the principal or Redemption Price of, or interest on, the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof, all such liability, if any, being expressly waived and released by each Holder of Bonds by the acceptance of such Bonds, but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Bond Resolution.

SECTION 14.11. I-Bank Protected in Acting in Good Faith. In the exercise of the powers of the I-Bank and its members, officers, employees and agents under this Bond Resolution, the Loan Agreements or any other document executed in connection with the Bonds, the I-Bank shall not be accountable to any Borrower, the Trustee, the Paying Agent, or any Holder for any action taken or omitted by it or its members, officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred.

SECTION 14.12. Business Days. Except as otherwise specifically provided herein, if any date specified herein for the payment of any Bond or the performance of any act shall not be a Business Day at the place of payment or performance, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date, and in case any payment of the principal or Redemption Price of or interest on any Bond shall be due on a date that is not a Business Day, interest on such principal amount shall cease to accrue on the date on which such payment was due if such payment is made on the immediately succeeding Business Day.
SECTION 15.01. Form of Series 2018A-2 Bonds and Trustee’s Authentication Certificate. Subject to the provisions of this Bond Resolution, the form of the Series 2018A-2 Bonds and the Trustee’s certificate of authentication shall be of substantially the following tenor:
NEW JERSEY INFRASTRUCTURE BANK (the “I-Bank”), a public body corporate and politic and an instrumentality of the State of New Jersey created and existing under the laws of the State of New Jersey, hereby acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner stated hereon or its registered assigns, on the Maturity Date stated hereon, but solely from the funds pledged therefor, upon presentation and surrender of this bond at the Principal Office of ZB, National Association d/b/a Zions Bank (such bank and any successors thereto being herein called the “Trustee” and “Paying Agent”), the Principal Sum stated hereon in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts, and to pay from such pledged funds on March 1 and September 1 in each year, commencing September 1, 2019, until the I-Bank’s obligation with respect to the payment of such Principal Sum shall be discharged to the Registered Owner hereof, interest from the Dated Date hereof on such Principal Sum by check or draft of the Trustee mailed to such Registered Owner who shall appear as of the fifteenth (15th) day (whether or not such day shall be a Business Day) of the month immediately preceding such interest payment date on the books of the I-Bank maintained by the Trustee. However, so long as the Series 2018A-2 Bonds (as hereinafter defined) are held in book-entry-only form pursuant to the Resolution (as hereinafter defined), the provisions of the Resolution governing such book-entry-only form shall govern repayment of the principal or Redemption Price, if any, of and interest on the Series 2018A-2 Bonds.

This bond is one of a duly authorized Series of Bonds of the I-Bank designated “Environmental Infrastructure Bonds, Series 2018A-2” (herein called the “Series 2018A-2 Bonds”), and issued in the aggregate principal amount of $___.____ under and in full compliance with the Constitution and statutes of the State of New Jersey, including, without limitation, the “New Jersey Infrastructure Trust Act”, constituting chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented (herein called the “Act”), and under and pursuant to a resolution authorizing the Series 2018A-2 Bonds adopted by the I-Bank on September 13, 2018 and entitled “Environmental Infrastructure Bond Resolution, Series 2018A-2”, as the same may be amended or supplemented from time to time in accordance with its terms (herein called the “Resolution”).

---

### Form of Series 2018A-2 Bond

**United States of America**

**State of New Jersey**

**New Jersey Infrastructure Bank**

**Environmental Infrastructure Bonds, Series 2018A-2**

<table>
<thead>
<tr>
<th>NO. R-__</th>
<th>CUSIP: ________<em><strong>-</strong></em></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Rate</td>
<td>Maturity Date</td>
</tr>
<tr>
<td>____%</td>
<td>September 1, ____</td>
</tr>
</tbody>
</table>

**Registered Owner:** CEDE & CO.

**Principal Sum:** __________________________ ($___,___)

---

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All capitalized terms used but not defined herein shall have the meanings set forth in the Resolution as if fully set forth herein.

As provided in the Resolution, the Series 2018A-2 Bonds and all other bonds issued on a parity basis with the Series 2018A-2 Bonds under the Resolution (herein collectively called the “Bonds”) are direct and special obligations of the I-Bank payable solely, subject to the following sentence, from and secured (as to payment of principal or Redemption Price, if any, of and interest on) by the Trust Estate, all in accordance with their terms and the terms and conditions of the Resolution, subject only to the provisions of the Resolution permitting the application of the Trust Estate for the purposes and upon the terms and conditions set forth in the Resolution. The principal or Redemption Price, if any, of and interest on the Series 2018A-2 Bonds are additionally secured by moneys held by the Master Program Trustee in the Master Program Trust Account to the extent set forth in the Master Program Trust Agreement. The Trust Estate under the Resolution includes the Loan Agreements (with certain exceptions set forth in the Resolution), any other Revenues and all other funds and accounts established under the Resolution (other than the Operating Expense Fund, the Project Fund, and the Rebate Fund), including Investment Securities, as applicable, held in any such Fund thereunder, together with all proceeds and revenues of the foregoing, all of the I-Bank’s right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price, if any, of and interest on the Bonds in accordance with the terms and provisions of the Resolution. Copies of the Resolution are on file at the office of the I-Bank and at the above-mentioned office of the Trustee. Reference is hereby made to the Act and to the Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security under the Resolution and for all of the other terms and provisions thereof. All duties, covenants, agreements and obligations of the I-Bank under the Resolution may be discharged and satisfied at or prior to the maturity or redemption, if any, of this bond if moneys or certain specified securities shall have been deposited with the Trustee, all in accordance with the terms and provisions of the Resolution.

As provided in the Resolution, Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more Series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. Although the aggregate principal amount of Bonds that may be issued under the Resolution is not limited, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution, the aggregate amount of bonds that may be issued by the I-Bank is currently limited by the Act. The I-Bank makes no representation as to whether this limitation on the aggregate principal amount of bonds issued by the I-Bank under the Act will continue to restrict the future issuance of bonds by the I-Bank under the Act.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by the I-Bank with the written consent of the holders of at least two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding under the Resolution at the time such consent is given, and, in case less than all of the several Series of Bonds then Outstanding are affected thereby, with such consent of at least two-thirds (2/3) in aggregate principal amount of the Bonds of each Series so affected and Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding under the Resolution, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption, if any (including Sinking Fund Installments), or maturity of the principal
of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price, if any, thereof or in the rate of interest thereon without the consent of the holder of such Bond, nor shall it reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, nor shall it change or modify any of the rights or obligations of the Trustee or of the Paying Agent without its written assent thereto.

This bond is transferable, as provided in the Resolution, only upon the books of the I-Bank kept for that purpose at the above-mentioned office of the Trustee, as bond registrar, by the Registered Owner hereof in person, or by such Registered Owner’s attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar duly executed by the Registered Owner or such Registered Owner’s duly authorized attorney, and thereupon a new fully registered bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution upon payment of the charges therein prescribed. The I-Bank, the Trustee and the Paying Agent may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if any, hereof and the interest due hereon and for all other purposes.

The Series 2018A-2 Bonds maturing on or before September 1, 2028 shall not be subject to redemption prior to their respective stated maturity dates. The Series 2018A-2 Bonds maturing on or after September 1, 2029 shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, 2028, at the option of the I-Bank, upon the terms set forth in the Resolution, either in whole or in part, and if in part by lot within any maturity or maturities determined by the I-Bank, on any date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.

[The Series 2018A-2 Bonds due September 1, ____ and September 1, ____ are subject to mandatory sinking fund redemption prior to their respective stated maturities, upon the surrender thereof and through selection by lot by the Trustee and upon the giving of notice as provided in the Resolution, by payment of the following “Sinking Fund Installments”, on September 1, in each year set forth below, at a Redemption Price which is equal to 100% of the principal amount thereof plus interest accrued to the redemption date, in the following aggregate principal amounts in the following years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

* Final maturity]

[The Series 2018A-2 Bonds shall not be subject to mandatory sinking fund redemption prior to their respective stated maturities.]

The Series 2018A-2 Bonds are payable upon redemption at the above-mentioned office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be mailed by the Trustee via
first class mail, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date, to the registered owners of any Series 2018A-2 Bonds or portions thereof to be redeemed at their last addresses, if any, appearing upon the I-Bank’s registry books, all in the manner and upon the terms and conditions set forth in the Resolution. If notice of redemption shall have been mailed as aforesaid, the Series 2018A-2 Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all of the Series 2018A-2 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2018A-2 Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Failure of the registered owner of any Series 2018A-2 Bonds to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of such Series 2018A-2 Bonds.

The principal or Redemption Price, if any, of and interest on the Series 2018A-2 Bonds are payable by the I-Bank solely from the Trust Estate, and neither the State of New Jersey nor any political subdivision thereof, other than the I-Bank (but solely to the extent of the Trust Estate), is obligated to pay the principal or Redemption Price, if any, of or interest on this bond and the issue of which it is one, and neither the full faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal or Redemption Price, if any, of or interest on this bond or the issue of which it is one.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond exist, have happened and have been performed, and the Series of Bonds of which this is one, together with all other indebtedness of the I-Bank, comply in all respects with the applicable laws of the State of New Jersey, including, without limitation, the Act.

This bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Trustee of the Trustee’s Certificate of Authentication hereon.

IN WITNESS WHEREOF, NEW JERSEY INFRASTRUCTURE BANK has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman or Vice-Chairman and its seal to be impressed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Dated Date hereof.

NEW JERSEY INFRASTRUCTURE BANK

By: _______________________

Vice Chairman

[SEAL]

ATTEST:

_________________________

Assistant Secretary
[FORM OF CERTIFICATE OF AUTHENTICATION ON SERIES 2018A-2 BONDS]

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2018A-2 Bonds delivered pursuant to the within-mentioned Resolution.

ZB, NATIONAL ASSOCIATION D/B/A
ZIONS BANK, as Trustee

By:________________________
Authorized Signatory
The following abbreviations, when used in the inscription on this bond, shall be construed as though they were written out in full according to applicable laws or regulations (additional abbreviations may also be used though not in the following list):

TEN COM – as tenants in common
TEN ENT – as tenants by the entireties
JT TEN – as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT
Custodian
(Cust) (Minor)
under Uniform Gifts to Minors Act (State)

ASSIGNMENT

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE (FOR COMPUTER RECORD ONLY): _______________

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints __________________________________________, Attorney, to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranty: Signature:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank, trust company, national bank association or other banking institution incorporated under the laws of the United States or a state of the United States.

NOTICE: The signature of this Assignment must correspond with the name that appears upon the first page of the within bond in every particular, without alteration or enlargement or any change whatsoever.
SECTION 15.02. Effective Date. This Bond Resolution shall not become effective until all of the following shall have occurred:

(a) As required by paragraph i of Section 4 of Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented, there shall have run ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the I-Bank meeting at which this Bond Resolution was adopted has been delivered to the Governor for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval; and

(b) As required by paragraph j of Section 4 of Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented, there is received by the I-Bank the written approval of this Bond Resolution by each of the Governor of the State and the State Treasurer.
EXHIBIT A

Form of Loan Agreement for Municipal Borrowers

*On file with the I-Bank*
EXHIBIT B

Form of Loan Agreement for Authority Borrowers

On file with the I-Bank
EXHIBIT C

[Not Applicable – Reserved]
EXHIBIT D

Form of Notice of Sale

See Closing Item 2.04
EXHIBIT E

Form of I-Bank Continuing Disclosure Agreement

See Closing Item 8.01
EXHIBIT F

CERTIFICATE OF AN AUTHORIZED OFFICER OF THE NEW JERSEY INFRASTRUCTURE BANK AS REQUIRED BY SECTION 4 OR 8(a) OF THE MASTER PROGRAM TRUST AGREEMENT

I, DAVID E. ZIMMER, Executive Director of the New Jersey Infrastructure Bank (the “I-Bank”) and an Authorized Officer as defined in and under that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the I-Bank, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to Wachovia Bank National Association), in several capacities thereunder, as supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2001, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee (the “Master Program Trustee”), and the I-Bank, as the same may be amended and supplemented from time to time in accordance with its terms (the “Master Program Trust Agreement”; capitalized terms used but not defined in this Certificate shall have the meanings ascribed to such terms in the Master Program Trust Agreement), DO HEREBY CERTIFY as follows:

1. The 2018A-2 series within the Financing Program for State Fiscal Year 2018 shall constitute a Future Financing Program within the meaning of and for the purposes set forth in the Master Program Trust Agreement.

2. The 2018A-2 series within the Financing Program for State Fiscal Year 2018 has received all requisite approvals, authorizations and consents that constitute a condition precedent to such Financing Program becoming a Future Financing Program.

3. The 2018A-2 series within the Financing Program for State Fiscal Year 2018 shall be a Future Financing Program in order to provide additional security for the Coverage Receiving Trust Bonds, including, without limitation, the Future Trust Bonds to be issued under such Financing Program.

4. Attached hereto is an accurate and authentic copy of revised Schedule AG-2 to the Master Program Trust Agreement, which has simultaneously herewith been delivered to the Master Program Trustee for replacement of the existing Schedule AG-2 affixed to the Master Program Trust Agreement as Appendix A thereto.

5. This revised Schedule AG-2 to the Master Program Trust Agreement is being delivered to the Master Program Trustee in connection with the I-Bank’s issuance of its Environmental Infrastructure Bonds, Series 2018A-2 in the aggregate principal amount of $__________, which bonds constitute Future Trust Bonds under the Master Program Trust Agreement.
IN WITNESS WHEREOF, the undersigned duly Authorized Officer of the I-Bank has executed and delivered this Certificate this 29th day of November, 2018.

NEW JERSEY INFRASTRUCTURE BANK

By:________________________
   Executive Director
SCHEDULE I

Allocable Share

Earnings on all Funds, Accounts and Subaccounts that are Subject to Transfer and Credit Pursuant to the Provisions of Section 5.10(3) and (4) of the Bond Resolution.
SCHEDULE I

Allocable Share – Clean Water SRF Borrowers
SCHEDULE I

Allocable Share – Drinking Water SRF Borrowers
SCHEDULE I

Allocable Share – Clean Water non-SRF Borrowers
SCHEDULE I

Allocable Share – Drinking Water non-SRF Borrowers
LOAN AGREEMENT

BY AND BETWEEN

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

AND

[NAME OF BORROWER]

DATED AS OF NOVEMBER 1, 2018
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## ARTICLE VI

### MISCELLANEOUS

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NEW JERSEY INFRASTRUCTURE BANK LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into as of November 1, 2018, by and between the NEW JERSEY INFRASTRUCTURE BANK (f/k/a the New Jersey Environmental Infrastructure Trust), a public body corporate and politic with corporate succession, and the Borrower (capitalized terms used in this Loan Agreement shall have, unless the context otherwise requires, the meanings ascribed thereto in Section 1.01 hereof);

WITNESSETH THAT:

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

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

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

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

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

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

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

DEFINITIONS

SECTION 1.01. Definitions.

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

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

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

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

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

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

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

“Code” means the Internal Revenue Code of 1986, as the same may from time to time be amended and supplemented, including any regulations promulgated thereunder, any successor code thereto and any administrative or judicial interpretations thereof.
“Costs” means those costs that are eligible, reasonable, necessary, allocable to the Project and permitted by generally accepted accounting principles, including Allowances and Building Costs (as defined in the Regulations), as shall be determined on a project-specific basis in accordance with the Regulations as set forth in Exhibit B hereto, as the same may be amended by subsequent eligible costs as evidenced by a certificate of an Authorized Officer of the I-Bank.

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

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

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

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

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

“Fund Loan” means the loan made to the Borrower by the State, acting by and through the Department, pursuant to the Fund Loan Agreement dated as of November 1, 2018 by and between the Borrower and the State, acting by and through the Department, to finance or refinance a portion of the Costs of the Project.

“Fund Loan Agreement” means the loan agreement dated as of November 1, 2018 by and between the Borrower and the State, acting by and through the Department, regarding the terms and conditions of the Fund Loan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“State” means the State of New Jersey.

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

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

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

REPRESENTATIONS AND COVENANTS OF BORROWER

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

(a) Organization and Authority.

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

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

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

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

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

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

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

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

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

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

(g) Compliance with Law. The Borrower:

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

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

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

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

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

SECTION 2.02. Particular Covenants of Borrower.

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

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

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

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

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

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

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

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

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

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Bonds, and (B) provide to the I-Bank an opinion of Bond Counsel to that effect in form
and substance satisfactory to the I-Bank.

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) Records and Accounts.

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

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

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

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

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

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

(h) Inspections; Information. The Borrower shall permit the I-Bank and the Trustee and any party designated by any of such parties, at any and all reasonable times during construction of the Project and thereafter upon prior written notice, to examine, visit and inspect the property, if any, constituting the Project and to inspect and make copies of any accounts, books and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, and shall supply such reports and information as the I-Bank and the Trustee may reasonably require in connection therewith.

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

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

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

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

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

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

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

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

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

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

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

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

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. Loan; Loan Term.

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

(b) Notwithstanding the provisions of subsection (a) of this Section 3.01 to the contrary, the I-Bank shall be under no obligation (i) to make the Loan to the Borrower if (1) at the Loan Closing, the Borrower does not deliver to the I-Bank the Borrower Bond and such other documents as are required pursuant to Section 2.02(k) hereof, or (2) an Event of Default has occurred and is continuing pursuant to, and as defined in, the Bond Resolution or pursuant to this Loan Agreement, or (ii) to disburse the proceeds of the Loan to the Borrower in accordance with Section 3.02 and Exhibit C hereof, unless each of the conditions precedent to such disbursement, as set forth in Section 3.02 hereof, have been satisfied in full. The I-Bank intends to disburse the proceeds of the Loan to the Borrower at the times and in the amounts set forth in Exhibit C hereof in order to pay a portion of the Costs of the Project, subject to compliance by the Borrower with the procedures for disbursement as set forth in Section 3.02 hereof; nevertheless, due to unforeseen circumstances, there may not be a sufficient amount on deposit in the Project Loan Account on a given disbursement date in order for the I-Bank to make the disbursement in the amount indicated in Exhibit C hereof so as to satisfy a Loan disbursement request by the Borrower pursuant to the provisions of Section 3.02 hereof, in which case (1) the I-Bank shall have no obligation hereunder to make such disbursement until such time as sufficient funds are on deposit in the Project Loan Account, and (2) the obligations of the Borrower hereunder shall not be affected.

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

(d) The payment obligations of the Borrower created pursuant to the terms of this Loan Agreement are secured by the Borrower Bond. The obligations of the Borrower to pay the principal of the Borrower Bond, Interest on the Borrower Bond, and other amounts due under the Borrower Bond are each direct, general, irrevocable and unconditional obligations of the Borrower payable from any source legally available to the Borrower, including, without limitation, the general tax revenues of the Borrower, and the Borrower shall, if necessary, levy
SECTION 3.02. Disbursement of Loan Proceeds.

(a) The Trustee, as the agent of the I-Bank, shall disburse the amounts on deposit in the Project Loan Account to the Borrower (i) upon receipt of a requisition executed by an Authorized Officer of the Borrower, and approved by the I-Bank, in a form satisfying the requirements of Section 5.02(3) of the Bond Resolution, and (ii) consistent with the schedule for disbursement as set forth in Exhibit C hereof.

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

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

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

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

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

(c) Notwithstanding any provision of this Loan Agreement to the contrary, the I-Bank and the Trustee, at the request of the Borrower but at the sole discretion of the I-Bank, may disburse Loan proceeds to the Borrower from the Project Loan Account either prior to or subsequent to the scheduled date for disbursement thereof as such scheduled date is identified in the disbursement schedule set forth in Exhibit C hereof, provided that (A) the Borrower has otherwise satisfied the requirements of this Section 3.02, and (B) such disbursement, in a manner that is inconsistent with the disbursement schedule as set forth in Exhibit C hereof, does not conflict with any restrictions set forth in the Regulations.

In the event that, in the submission of its requisition(s), the Borrower fails to comply with the disbursement schedule as set forth in Exhibit C hereof, and such non-compliance by the Borrower consists of (i) a failure to timely seek disbursement of Loan proceeds which failure results in an amount of non-disbursed funds remaining on deposit in the Project Loan Account, subsequent to the date on which such funds should have been disbursed pursuant to the disbursement schedule set forth in Exhibit C hereof, that, in the aggregate, represents twenty-five percent (25%) of the original deposit to such Project Loan Account, or (ii)
a failure to timely seek disbursement of Loan proceeds which failure results in an amount of funds disbursed from the Project Loan Account earlier than the date on which such funds were scheduled to have been disbursed pursuant to the disbursement schedule set forth in Exhibit C hereof, that, in the aggregate, represents twenty-five percent (25%) of the original deposit to such Project Loan Account, then the Borrower shall provide to the I-Bank and the Department a certificate of an Authorized Officer of the Borrower providing a revised disbursement schedule, in a form similar to Exhibit C hereto and approved by the Department. Any reference to Exhibit C in Section 3.01, Section 3.02 and Section 3.03A hereof shall mean Exhibit C as such exhibit may have been revised from time to time pursuant to the provisions of the preceding sentence.

SECTION 3.03. Amounts Payable.

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

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

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

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

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

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

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

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

(e) The Interest on the Loan described in clause (ii) of the definition thereof shall be paid by the Borrower in the amount of one-half of the Administrative Fee, if any, to the Trustee semiannually on each February 1 and August 1, commencing August 1, 2019.

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

(g) In the event that the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan Repayment or any other payment required under this Loan Agreement when due, the Borrower hereby acknowledges that the I-Bank may exercise its right under and in accordance with Section 12a of the Act to satisfy such deficiency from State-aid payable to the Borrower. The amount of State-aid so paid to the I-Bank shall be deemed to be a credit against the obligations of the Borrower under this Section 3.03, and any such payment made to the I-Bank shall fulfill the Borrower's obligation to pay such amount under this Loan Agreement and the Borrower Bond. Each such payment of State-aid so made to the I-Bank shall be applied first to the Interest Portion then due and payable, second, to the extent available, to the principal of the Loan then due and payable, third, to the extent available, to the Administrative Fee, fourth, to the extent available, to the payment of any late charges incurred hereunder, and finally, to the extent available, to any other payment required under this Loan Agreement.
(h) Upon thirty (30) days prior written notice to the Borrower, an Authorized Officer of the I-Bank may, in the sole discretion of such Authorized Officer, prescribe the particular method by which payments pursuant to, and in satisfaction of, this Section 3.03 shall be made by the Borrower. Such method as prescribed by an Authorized Officer of the I-Bank may include, without limitation, the automatic debit by the I-Bank or the Trustee of the respective amounts of such payments, as required by this Section 3.03, from an account that shall be identified by the Borrower in writing and recorded on file with the I-Bank and the Trustee. In the absence of any such written notice to the Borrower by an Authorized Officer of the I-Bank pursuant to this subsection (g), the Borrower shall implement the payments required pursuant to, and in satisfaction of, this Section 3.03 either via electronic transfer of immediately available funds or via check.

SECTION 3.03A. Amounts on Deposit in Project Loan Account After Completion of Project Draws.

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

(b) If, on the date which is one hundred eighty (180) days following the final date on which a disbursement of Loan proceeds is scheduled to be made pursuant to the revised disbursement schedule certified to the I-Bank and the Department in accordance with Section 3.03A(a) hereof, any amounts remain on deposit in the Borrower’s Project Loan Account, the Borrower shall provide to the I-Bank and the Department a certificate of an Authorized Officer of the Borrower (i) stating that the Borrower has not yet completed the Project, (ii) stating that the Borrower intends to complete the Project, (iii) setting forth the amount of remaining Loan Proceeds required to complete the Project, and (iv) providing a further revised disbursement schedule, in a form similar to Exhibit C hereto and approved by the Department.

(c) If (i) the Borrower fails to provide the certificate described in paragraphs (a) or (b) of this Section 3.03A, when due, or (ii) a certificate provided pursuant to paragraphs (a) or (b) of this Section 3.03A states that the Borrower does not require all or any portion of the amount on deposit in the Project Loan Account for completion of the Project, or (iii) on the date which is one hundred eighty (180) days following the final date on which a disbursement of Loan proceeds is scheduled to be made pursuant to a further revised disbursement schedule certified to the I-Bank and the Department in accordance with Section 3.03A(b) hereof, any amounts remain on deposit in the Borrower’s Project Loan Account, or (iv) a certificate provided pursuant to Section 2.02(e)(xv) hereof states that the Borrower does not require all or any portion of the amount on deposit in the Project Loan Account for completion of the Project, then such amounts on deposit in the Project Loan Account, which are amounts that have not been certified
by an Authorized Officer of the Borrower as being required to complete the Project ("Excess Project Funds"), shall be applied as follows:

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

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

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

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

The Borrower acknowledges that payment of the I-Bank Bonds from moneys that were originally received by the Trustee pursuant to Section 5.04(1) of the Bond Resolution from repayments by the Borrowers of loans made to the Borrowers by the State, acting by and through the Department, pursuant to loan agreements dated as of November 1, 2018 by and between the Borrowers and the State, acting by and through the Department, to finance or refinance a portion of the Costs of the Environmental Infrastructure Facilities of the Borrowers, does not constitute payment of the amounts due under this Loan Agreement and the Borrower Bond.
SECTION 3.05. Loan Agreement to Survive Bond Resolution and I-Bank Bonds. The Borrower acknowledges that its duties, covenants, obligations and agreements hereunder shall survive the discharge of the Bond Resolution applicable to the I-Bank Bonds and shall survive the payment of the principal and redemption premium, if any, of and the interest on the I-Bank Bonds until the Borrower can take no action or fail to take any action that could adversely affect the exclusion from gross income of the interest on the I-Bank Bonds for purposes of federal income taxation, at which time such duties, covenants, obligations and agreements hereunder shall, except for those set forth in Sections 3.06(a) and (b) hereof, terminate.

SECTION 3.06. Disclaimer of Warranties and Indemnification.

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

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

(c) The Borrower and the I-Bank agree that all claims shall be subject to, and governed by the provisions of, the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq. (except for N.J.S.A. 59:13-9 thereof), notwithstanding the fact that such statute, by its express terms, would not apply to claims arising under contract with the I-Bank but for the provisions of this subsection.
(d) In connection with its obligation to provide the insurance required under Section 2.02(i) hereof: (i) the Borrower shall include, or cause to be included, the I-Bank and its directors, employees and officers as additional “named insureds” on (A) any certificate of liability insurance procured by the Borrower (or other similar document evidencing the liability insurance coverage procured by the Borrower) and (B) any certificate of liability insurance procured by any contractor or subcontractor for the Project, and from the later of the date of the Loan Closing or the date of the initiation of construction of the Project until the date the Borrower receives the written certificate of Project completion from the I-Bank, the Borrower shall maintain said liability insurance covering the I-Bank and said directors, employees and officers in good standing; and (ii) the Borrower shall include the I-Bank as an additional “named insured” on any certificate of insurance providing against risk of direct physical loss, damage or destruction of the Environmental Infrastructure System, and during the Loan Term the Borrower shall maintain said insurance covering the I-Bank in good standing.

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

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

SECTION 3.08. Priority of Loan and Fund Loan.

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

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

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

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

ASSIGNMENT OF LOAN AGREEMENT AND BORROWER BOND

SECTION 4.01. Assignment and Transfer by I-Bank.

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

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

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

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

EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

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

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

MISCELLANEOUS

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

(a) I-Bank:

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

(b) Trustee:

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

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

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

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

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

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

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

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

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

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

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

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

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

David E. Zimmer
Assistant Secretary

[SEAL]

By: __________________________
    Authorized Officer
    Title

Authorized Officer
Title

[signature page]
SCHEDULE A

Certain Additional Loan Agreement Provisions
EXHIBIT A-1

Description of Project and Environmental Infrastructure System
EXHIBIT A-2

Description of Loan
EXHIBIT B

Basis for Determination of Allowable Project Costs
EXHIBIT C

Estimated Disbursement Schedule
EXHIBIT D

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

This Borrower Bond is issued pursuant to the “Local Bond Law”, P.L. 1960, c. 169, as amended (N.J.S.A. 40A:2-1 et seq.), [ the “Municipal Qualified Bond Act”, P.L. 1976, c. 38, as amended (N.J.S.A. 40A:3-1 et seq.)] other applicable law and the Loan Agreement dated as of November 1, 2018 by and between the I-Bank and the Borrower (the “Loan Agreement”). This Borrower Bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence and secure the payment obligations of the Borrower set forth therein. [As a qualified bond issued under Title 40A of the New Jersey Statutes, this Borrower Bond is entitled to the benefits of the provisions of the Municipal Qualified Bond Act, codified at N.J.S.A. 40A:3-1 et seq.] This Borrower Bond has been assigned to ZB, National Association d/b/a Zions Bank, as trustee (the “Trustee”) under the “Environmental Infrastructure Bond Resolution, Series 2018[ ]”, adopted by the I-Bank on September 13, 2018, as the same may be amended and supplemented in accordance with the terms thereof (the “Bond Resolution”), and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the Trustee for the account of the I-Bank pursuant to such assignment. Such assignment has been made as security for the payment of the I-Bank Bonds (as defined in the Loan Agreement) issued to finance or refinance the Loan and as otherwise described in the Loan Agreement. This Borrower Bond is subject to further assignment or endorsement in accordance with the terms of the Bond Resolution and the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Borrower Bond.

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

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

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

IN WITNESS WHEREOF, the Borrower has caused this Borrower Bond to be duly executed, sealed and delivered as of November 29, 2018.

[NAME OF BORROWER]

[SEAL]

ATTEST:

By: ________________________________
Mayor

By: ________________________________
[Treasurer] [Chief Financial Officer]
New Jersey Infrastructure Bank (f/k/a the New Jersey Environmental Infrastructure Trust) hereby assigns the foregoing Borrower Bond to ZB, National Association d/b/a Zions Bank, as the I-Bank’s Trustee under the “Environmental Infrastructure Bond Resolution, Series 2018[ ]”, adopted by the I-Bank on September 13, 2018, as amended and supplemented, all as of the date of this Borrower Bond, as security for the I-Bank Bonds issued or to be issued under the Bond Resolution to finance or refinance the Project Fund (as defined in the Bond Resolution).

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

ATTEST:

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

__________________________
David E. Zimmer
Assistant Secretary
EXHIBIT E

Opinions of Borrower’s Bond Counsel and General Counsel

See Closing Item ____
Ladies and Gentlemen:

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

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

(a) the I-Bank's “Environmental Infrastructure Bond Resolution, Series 2018[ ]”, adopted by the Board of Directors of the I-Bank on September 13, 2018;

(b) the Loan Agreement dated as of November 1, 2018 (the “Loan Agreement”) by and between the I-Bank and the Borrower;

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

(d) the Borrower Bond dated November 29, 2018 (the “Borrower Bond”) issued by the Borrower to the I-Bank to evidence and secure the Loan; and

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

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

We are of the opinion that:

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,
EXHIBIT F

Additional Covenants and Requirements
EXHIBIT G

General Administrative Requirements
for the New Jersey Water Bank
EXHIBIT H

Form of Continuing Disclosure Agreement
LOAN AGREEMENT

BY AND BETWEEN

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

AND

[NAME OF BORROWER]

DATED AS OF NOVEMBER 1, 2018
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NEW JERSEY INFRASTRUCTURE BANK LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into as of November 1, 2018, by and between the NEW JERSEY INFRASTRUCTURE BANK (f/k/a the New Jersey Environmental Infrastructure Trust), a public body corporate and politic with corporate succession, and the Borrower (capitalized terms used in this Loan Agreement shall have, unless the context otherwise requires, the meanings ascribed thereto in Section 1.01 hereof);

WITNESSETH THAT:

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

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

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

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

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

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

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

SECTION 1.01. Definitions.

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

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

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

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

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

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

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

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

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

“Department” means the New Jersey Department of Environmental Protection

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

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

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

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

“Fund Loan” means the loan made to the Borrower by the State, acting by and through the Department, pursuant to the Fund Loan Agreement dated as of November 1, 2018 by and between the Borrower and the State, acting by and through the Department, to finance or refinance a portion of the Costs of the Project.

“Fund Loan Agreement” means the loan agreement dated as of November 1, 2018 by and between the Borrower and the State, acting by and through the Department, regarding the terms and conditions of the Fund Loan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“State” means the State of New Jersey.

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

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

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

REPRESENTATIONS AND COVENANTS OF BORROWER

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

(a) Organization and Authority.

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

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

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

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

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

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

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

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

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

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

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

(g) Compliance with Law. The Borrower:

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

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

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

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

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

SECTION 2.02. Particular Covenants of Borrower.

(a) Revenue Pledge. (i) The Borrower unconditionally and irrevocably pledges the Revenues in accordance with the terms of and to the extent provided in the Borrower Bond Resolution, including, without limitation, moneys payable pursuant to the Service Agreement, if applicable, in respect of debt service on the Borrower Bond, for the punctual payment of the principal and redemption premium, if any, of the Loan and the Borrower Bond, the Interest on the Loan, the Interest on the Borrower Bond and all other amounts due under this Loan Agreement and the Borrower Bond according to their respective terms. (ii) See Section 2.02(a)(ii) as set forth in Schedule A attached hereto, made a part hereof and incorporated in this Section 2.02(a) by reference as if set forth in full herein.

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

(c) Revenue Obligation; No Prior Pledges. The Borrower shall not be required to make payments under this Loan Agreement except from the Revenues of its Environmental Infrastructure System and from such other funds of such Environmental Infrastructure System legally available therefor and from any other sources pledged to such payment pursuant to subsection (a) of this Section 2.02. In no event shall the Borrower be required to make payments under this Loan Agreement from any revenues or receipts not derived from its Environmental Infrastructure System or pledged pursuant to subsection (a) of this Section 2.02. Except for the Permitted Pledges, the Revenues derived by the Borrower from its Environmental Infrastructure System, after the payment of all costs of operating and maintaining the Environmental

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Infrastructure System, are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the obligation of the Borrower to make Loan Repayments under this Loan Agreement and the Borrower Bond, and all corporate or other action on the part of the Borrower to that end has been and will be duly and validly taken. See Section 2.02(c) as set forth in Schedule A attached hereto, made a part hereof and incorporated in this Section 2.02(c) by reference as if set forth in full herein.

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

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

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

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

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

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

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

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

(vi) The Borrower shall not directly or indirectly use or permit the use of any proceeds of the I-Bank Bonds to pay any costs, or refinance any costs, which are not Costs of the Project that constitute (A) a “capital expenditure,” within the meaning of Treasury Regulations §1.150-1, or (B) interest on the I-Bank Bonds accruing during a period commencing on the date of issuance of the I-Bank Bonds and ending on the date that is the later of (I) three years from the date of issuance of the I-Bank Bonds or (II) one year after the completion date with respect to the Project, as set forth in Exhibit C hereto.
(vii) The Borrower shall not use the proceeds of the I-Bank Bonds (assuming solely for this purpose that the proceeds of the I-Bank Bonds loaned to the Borrower represent all of the proceeds of the I-Bank Bonds) in any manner that would cause the I-Bank Bonds to be considered “federally guaranteed” within the meaning of Section 149(b) of the Code or “hedge bonds” within the meaning of Section 149(g) of the Code.

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

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

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

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

(xii) To the extent proceeds of the I-Bank Bonds are to be used to finance, rather than refinance, Costs of the Project, the Borrower covenants that the Borrower will satisfy the requirements of Treasury Regulations §1.148-2(e)(2) for a three (3) year temporary period with respect to such portion of the Loan. Accordingly, the Borrower represents that, based upon all of the objective facts and circumstances in existence on the date of issuance of the I-Bank Bonds, with respect to the portion of the Loan that is to be used to finance Costs of the Project, (A) within six months of the date of issuance of the I-Bank Bonds used to finance the Project, the Borrower will incur, or will have incurred, a substantial binding obligation to a third party to expend on the Project at least five percent (5%) of such “net sale proceeds” (within the meaning of Treasury Regulations §1.148-1) of the Loan used to finance the Project (treating an obligation as not being binding if it is subject to contingencies within the control of the Borrower, the I-Bank or a “related party” (within the meaning of Treasury Regulations §1.150-1)), (B) completion of such portion of the Project and the allocation to expenditures of the “net sale proceeds” of the Loan used to finance the Project will proceed with due diligence, and (C) all of the proceeds of the Loan used to finance Costs of the Project and investment earnings thereon will be spent prior to the period ending three (3) years subsequent to the date of issuance of the I-Bank Bonds used to finance the Project.
(xiii) Computed as of the issue date of the I-Bank Bonds that are issued to finance or refinance Costs of the Project, the weighted average maturity of the Loan does not exceed 120% of the average reasonably expected economic life of the Project financed or refinanced with the Loan, determined in the same manner as under Section 147(b) of the Code. Accordingly, the term of the Loan will not be longer than is reasonably necessary for the governmental purposes of the Loan within the meaning of Treasury Regulations §1.148-1(c)(4).

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

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

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

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

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

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

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

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

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

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

(i) **Inspections; Information.** The Borrower shall permit the I-Bank and the Trustee and any party designated by any of such parties, at any and all reasonable times during construction of the Project and thereafter upon prior written notice, to examine, visit and inspect the property, if any, constituting the Project and to inspect and make copies of any accounts, books and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, and shall supply such reports and information as the I-Bank and the Trustee may reasonably require in connection therewith.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. Loan; Loan Term.

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

(b) Notwithstanding the provisions of subsection (a) of this Section 3.01 to the contrary, the I-Bank shall be under no obligation (i) to make the Loan to the Borrower if (1) at the Loan Closing, the Borrower does not deliver to the I-Bank the Borrower Bond and such other documents as are required pursuant to Section 2.02(l) hereof, or (2) an Event of Default has occurred and is continuing pursuant to, and as defined in, the Bond Resolution or pursuant to this Loan Agreement, or (ii) to disburse the proceeds of the Loan to the Borrower in accordance with Section 3.02 and Exhibit C hereof, unless each of the conditions precedent to such disbursement, as set forth in Section 3.02 hereof, have been satisfied in full. The I-Bank intends to disburse the proceeds of the Loan to the Borrower at the times and in the amounts set forth in Exhibit C hereof in order to pay a portion of the Costs of the Project, subject to compliance by the Borrower with the procedures for disbursement as set forth in Section 3.02 hereof; nevertheless, due to unforeseen circumstances, there may not be sufficient funds on deposit in the Project Loan Account in order for the I-Bank to make the disbursement in the amount indicated in Exhibit C hereof so as to satisfy a Loan disbursement request by the Borrower pursuant to the provisions of Section 3.02 hereof, in which case (1) the I-Bank shall have no obligation hereunder to make such disbursement until such time as sufficient funds are on deposit in the Project Loan Account, and (2) the obligations of the Borrower hereunder shall not be affected.

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

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

SECTION 3.02. Disbursement of Loan Proceeds.
(a) The Trustee, as the agent of the I-Bank, shall disburse the amounts on deposit in the Project Loan Account to the Borrower (i) upon receipt of a requisition executed by an Authorized Officer of the Borrower, and approved by the I-Bank, in a form satisfying the requirements of Section 5.02(3) of the Bond Resolution, and (ii) consistent with the schedule for disbursement as set forth in Exhibit C hereof.

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

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

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

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

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

(c) Notwithstanding any provision of this Loan Agreement to the contrary, the I-Bank and the Trustee, at the request of the Borrower but at the sole discretion of the I-Bank, may disburse Loan proceeds to the Borrower from the Project Loan Account either prior to or subsequent to the scheduled date for disbursement thereof as such scheduled date is identified in the disbursement schedule set forth in Exhibit C hereof, provided that (A) the Borrower has otherwise satisfied the requirements of this Section 3.02, and (B) such disbursement, in a manner that is inconsistent with the disbursement schedule as set forth in Exhibit C hereof, does not conflict with any restrictions set forth in the Regulations.

In the event that, in the submission of its requisition(s), the Borrower fails to comply with the disbursement schedule as set forth in Exhibit C hereof, and such non-compliance by the Borrower consists of (i) a failure to timely seek disbursement of Loan proceeds which failure results in an amount of non-disbursed funds remaining on deposit in the Project Loan Account, subsequent to the date on which such funds should have been disbursed pursuant to the disbursement schedule set forth in Exhibit C hereof, that, in the aggregate, represents twenty-five percent (25%) of the original deposit to such Project Loan Account, or (ii) a failure to timely seek disbursement of Loan proceeds which failure results in an amount of funds disbursed from the Project Loan Account earlier than the date on which such funds were scheduled to have been disbursed pursuant to the disbursement schedule set forth in Exhibit C hereof, that, in the aggregate, represents twenty-five percent (25%) of the original deposit to such
Project Loan Account, then the Borrower shall provide to the I-Bank and the Department a certificate of an Authorized Officer of the Borrower providing a revised disbursement schedule, in a form similar to Exhibit C hereto and approved by the Department. Any reference to Exhibit C in Section 3.01, Section 3.02 and Section 3.03A hereof shall mean Exhibit C as such exhibit may have been revised from time to time pursuant to the provisions of the preceding sentence.

SECTION 3.03. Amounts Payable.

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

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

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

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

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

(b) The Interest on the Loan described in clause (iii) of the definition thereof shall (i) consist of a late charge for any I-Bank Bond Loan Repayment that is received by the Trustee later than its due date and (ii) be payable immediately thereafter in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one-half of one percent (0.50%) per annum on such late payment from its due date to the date it is actually paid; provided, however, that the rate of Interest on the Loan, including, without limitation, any late payment charges incurred hereunder, shall not exceed the maximum interest rate permitted by law.
(c) The Borrower shall receive, as a credit against its semiannual payment obligations of the Interest Portion, the amounts, if any, certified by the I-Bank pursuant to Section 5.10 of the Bond Resolution. Such amounts shall represent the Borrower’s allocable share of the interest earnings on certain funds and accounts established under the Bond Resolution, as calculated and determined in accordance with Section 5.10 of the Bond Resolution.

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

(e) The Interest on the Loan described in clause (ii) of the definition thereof shall be paid by the Borrower in the amount of one-half of the Administrative Fee, if any, to the Trustee semiannually on each February 1 and August 1, commencing August 1, 2019.

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

(g) See Section 3.03(g) as set forth in Schedule A attached hereto, made a part hereof and incorporated herein by reference as if set forth in full herein.

(h) Upon thirty (30) days prior written notice to the Borrower, an Authorized Officer of the I-Bank may, in the sole discretion of such Authorized Officer, prescribe the particular method by which payments pursuant to, and in satisfaction of, this Section 3.03 shall be made by the Borrower. Such method as prescribed by an Authorized Officer of the I-Bank may include, without limitation, the automatic debit by the I-Bank or the Trustee of the respective amounts of such payments, as required by this Section 3.03, from an account that shall be identified by the Borrower in writing and recorded on file with the I-Bank and the Trustee. In the absence of any such written notice to the Borrower by an Authorized Officer of the I-Bank pursuant to this subsection (g), the Borrower shall implement the payments required pursuant to, and in satisfaction of, this Section 3.03 either via electronic transfer of immediately available funds or via check.
SECTION 3.03A. Amounts on Deposit in Project Loan Account After Completion of Project Draws.

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

(b) If, on the date which is one hundred eighty (180) days following the final date on which a disbursement of Loan proceeds is scheduled to be made pursuant to the revised disbursement schedule certified to the I-Bank and the Department in accordance with Section 3.03A(a) hereof, any amounts remain on deposit in the Borrower’s Project Loan Account, the Borrower shall provide to the I-Bank and the Department a certificate of an Authorized Officer of the Borrower (i) stating that the Borrower has not yet completed the Project, (ii) stating that the Borrower intends to complete the Project, (iii) setting forth the amount of remaining Loan Proceeds required to complete the Project, and (iv) providing a further revised disbursement schedule, in a form similar to Exhibit C hereto and approved by the Department.

(c) If (i) the Borrower fails to provide the certificate described in paragraphs (a) or (b) of this Section 3.03A, when due, or (ii) a certificate provided pursuant to paragraphs (a) or (b) of this Section 3.03A states that the Borrower does not require all or any portion of the amount on deposit in the Project Loan Account for completion of the Project, or (iii) on the date which is one hundred eighty (180) days following the final date on which a disbursement of Loan proceeds is scheduled to be made pursuant to a further revised disbursement schedule certified to the I-Bank and the Department in accordance with Section 3.03A(b) hereof, any amounts remain on deposit in the Borrower’s Project Loan Account, or (iv) a certificate provided pursuant to Section 2.02(f)(xv) hereof states that the Borrower does not require all or any portion of the amount on deposit in the Project Loan Account for completion of the Project, then such amounts on deposit in the Project Loan Account, which are amounts that have not been certified by an Authorized Officer of the Borrower as being required to complete the Project (“Excess Project Funds”), shall be applied as follows:

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

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

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

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

The Borrower acknowledges that payment of the I-Bank Bonds from moneys that were originally received by the Trustee pursuant to Section 5.04(1) of the Bond Resolution from repayments by the Borrowers of loans made to the Borrowers by the State, acting by and through the Department, pursuant to loan agreements dated as of November 1, 2018 by and between the Borrowers and the State, acting by and through the Department, to finance or refinance a portion of the Costs of the Environmental Infrastructure Facilities of the Borrowers, does not constitute payment of the amounts due under this Loan Agreement and the Borrower Bond.

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

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

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

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

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

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

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

SECTION 3.08. Priority of Loan and Fund Loan.

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

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

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

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

ASSIGNMENT OF LOAN AGREEMENT AND BORROWER BOND

SECTION 4.01. Assignment and Transfer by I-Bank.

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

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

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

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

EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) I-Bank:

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

(b) Trustee:

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

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

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

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

SECTION 6.04. Amendments, Supplements and Modifications.

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

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

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

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

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

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

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

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

NEW JERSEY INFRASTRUCTURE BANK

By: ________________________________

Robert A. Briant, Jr.
Vice Chairman

David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

By: ________________________________

Authorized Officer
Title

Authorized Officer
Title
SCHEDULE A

Certain Additional Loan Agreement Provisions
EXHIBIT A-1

Description of Project and Environmental Infrastructure System
EXHIBIT A-2

Description of Loan
EXHIBIT B

Basis for Determination of Allowable Project Costs
EXHIBIT C

Estimated Disbursement Schedule
EXHIBIT D

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

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

This Borrower Bond is issued pursuant to the [“Municipal and County Utilities Authorities Law”, P.L. 1957, c. 183, (N.J.S.A. 40:14B-1 et seq.),] [the “Sewerage Authorities Law”, P.L. 1946 c. 138 (N.J.S.A. 40:14A-1 et seq.),] [“the Local Authorities Fiscal Control Law”, P.L. 1983 c. 313 (N.J.S.A. 40A:5A-1 et seq.),] [the “Borrower Enabling Act” means the “[TITLE OF ACT]”, P.L. _____ c. ____ (N.J.S.A. ______ et seq.),] other applicable law and the Loan Agreement dated as of November 1, 2018 by and between the I-Bank and the Borrower (the “Loan Agreement”). This Borrower Bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence and secure the payment obligations of the Borrower set forth in the Loan Agreement. This Borrower Bond has been assigned to ZB, National Association d/b/a Zions Bank, as trustee (the “I-Bank’s Trustee”) under the “Environmental Infrastructure Bond Resolution, Series 2018[ ]”, adopted by the I-Bank on September 13, 2018, as the same may be amended and supplemented in accordance with the terms thereof (the “Bond Resolution”), and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the I-Bank’s Trustee for the account of the I-Bank pursuant to such assignment. Such assignment has been made as security for the payment of the I-Bank Bonds (as defined in the Loan Agreement) issued to finance or refinance the Loan and as otherwise described in the Loan Agreement. This Borrower Bond is subject to further assignment or endorsement in accordance with the terms of the Bond Resolution and the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Borrower Bond.

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

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

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

IN WITNESS WHEREOF, the Borrower has caused this Borrower Bond to be duly executed, sealed and delivered as of November 29, 2018.

[NAME OF BORROWER]

[SEAL]

ATTEST:

By:________________________
New Jersey Infrastructure Bank (f/k/a the New Jersey Environmental Infrastructure Trust) hereby assigns the foregoing Borrower Bond to ZB, National Association d/b/a Zions Bank, as the I-Bank’s Trustee under the “Environmental Infrastructure Bond Resolution, Series 2018[ ]”, adopted by the I-Bank on September 13, 2018, as amended and supplemented, all as of the date of this Borrower Bond, as security for the I-Bank Bonds issued or to be issued under the Bond Resolution to finance or refinance the Project Fund (as defined in the Bond Resolution).

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

ATTEST:

____________________________
Robert A. Briant, Jr.
Vice Chairman

____________________________
David E. Zimmer
Assistant Secretary
EXHIBIT E

Opinions of Borrower’s Bond Counsel and General Counsel

See Closing Item ___
Ladies and Gentlemen:

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

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

(a) the I-Bank’s “Environmental Infrastructure Bond Resolution, Series 2018[ ]” adopted by the Board of Directors of the I-Bank on September 13, 2018;

(b) the Loan Agreement dated as of November 1, 2018 (the “Loan Agreement”) by and between the I-Bank and the Borrower;

(c) the proceedings of the governing body of the Borrower relating to the approval of the Loan Agreement and the execution, attestation and delivery thereof on behalf of the Borrower and the authorization of the undertaking and completion of the Project;
(d) the Borrower Bond dated November 29, 2018 (the “Borrower Bond”) issued by the Borrower to the I-Bank to evidence and secure the Loan; [and]

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

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

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

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

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

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

We are of the opinion that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,
EXHIBIT F

Additional Covenants and Requirements
EXHIBIT G

General Administrative Requirements
for the New Jersey Water Bank
EXHIBIT H

Form of Continuing Disclosure Agreement
NOTICE OF SALE
NEW JERSEY INFRASTRUCTURE BANK
(f/k/a the New Jersey Environmental Infrastructure Trust)

$[\_],000* ENVIRONMENTAL INFRASTRUCTURE BONDS,
SERIES 2018A-2 (GREEN BONDS)

NOTICE IS HEREBY GIVEN that the Executive Director (or any other “Authorized Officer” as such term is defined in the hereinafter defined Resolution) (the “Executive Director”) of the New Jersey Infrastructure Bank (f/k/a the New Jersey Environmental Infrastructure Trust) (the “I-Bank”) will receive, until [11:30] a.m., New Jersey time, on Tuesday, November 13, 2018 (unless postponed in accordance with the terms hereof, the “Bid Date”), electronically via the PARITY Electronic Bid Submission System (“PARITY”) of i-Deal LLC (“i-Deal”), in a manner described below, “Proposals for Bonds” for the purchase of all of the I-Bank's $[\_],000* aggregate principal amount of “Environmental Infrastructure Bonds, Series 2018A-2 (Green Bonds)” (the “Bonds”).

The I-Bank will not consider Proposals for Bonds received by any means other than as set forth under the caption “Procedures Regarding Electronic Bidding” herein, or after [11:30] a.m., New Jersey time (or the time for receipt of bids set forth in any postponement notice), on the Bid Date. All Proposals for Bonds must conform with every term, requirement and condition set forth in this Notice of Sale, including, without limitation, the provision hereof relating to the Deposit (as hereinafter defined), subject to the I-Bank’s rights set forth herein.

Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Preliminary Official Statement, dated November 1, 2018, disseminated by the I-Bank in connection with the sale of the Bonds (the “Preliminary Official Statement”).

Persons considering a purchase the Bonds should read (i) the Preliminary Official Statement in its entirety, including, without limitation, the cover and the inside cover thereof and the appendices thereto, and (ii) this Notice of Sale in its entirety, including, without limitation, the requirements herein under the headings “Compliance with P.L. 2005, c. 51”, “Compliance with P.L. 2005, c. 271 Reporting Requirement” and “Compliance with P.L. 2012, c. 25; Certification of Non-Involvement in Prohibited Activities in Iran”.

The I-Bank. Effective as of January 16, 2018, various statutory amendments to the I-Bank Act (as defined below) were implemented that, collectively, serve to materially revise the statutory powers of the I-Bank and, additionally, serve to change the name of the I-Bank from the “New Jersey Environmental Infrastructure Trust” to the “New Jersey Infrastructure Bank”. The I-Bank is a public body corporate and politic with corporate succession, constituted as an instrumentality of the State of New Jersey (the “State). With respect to the inclusion, pursuant to the above-referenced statutory amendments, of the word “Bank” in the name of the “New Jersey Infrastructure Bank”, the following is noted: The I-Bank is not (i) a “bank” or “savings bank” within the meaning of the New Jersey Banking Act of 1948, or (ii) a “national banking association” or a “federal savings bank” within the meaning of the National Bank Act. Further, the I-Bank is not subject to the general supervision of the New Jersey Department of Banking and Insurance or the Office of the Comptroller of the Currency (United States Treasury Department), the Board of Governors of the Federal Reserve System or the Federal Deposit Insurance Corporation. The I-Bank does not accept “deposits” within the meaning of the New Jersey Banking Act of 1948 or the National Bank Act, and its obligations are not insured by the Federal Deposit Insurance Corporation.

* Subject to adjustment in accordance with this Notice of Sale.
The Bonds. The Bonds will be dated the date of issuance thereof and will bear interest from such dated date, payable semiannually on March 1 and September 1, beginning September 1, 2019, at the rate or rates per annum specified in the Proposals for Bonds of the Successful Bidder (as hereinafter defined) therefor until maturity (stated or otherwise). Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months, and will be payable in lawful money of the United States of America.

The Bonds will be issued initially as registered bonds in book-entry-only form. For so long as The Depository Trust Company, New York, New York (“DTC”), or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly by wire transfer to Cede & Co. Disbursement of such payments to the DTC participants is the responsibility of DTC, and further disbursement of such payments from the DTC participants to the beneficial owners of the Bonds is the responsibility of the DTC participants.

The Bonds will be issued as fully registered bonds in the denomination of one bond per aggregate principal amount of the stated maturity thereof and registered in the name of DTC or its nominee, Cede & Co. DTC will act as securities depository for the Bonds. For so long as the Bonds are registered in book-entry-only form, purchases of the Bonds will be made in book-entry-only form (without certificates) in principal amounts of $5,000 or any whole multiple thereof. It shall be the obligation of the Successful Bidder to furnish, not less than seven (7) days prior to the Closing Date (as hereinafter defined), (i) to DTC, an underwriters’ questionnaire, and (ii) to the I-Bank, the CUSIP numbers for the Bonds.

Amortization. The Bonds will mature on September 1 of the following years and, subject to adjustment in accordance with the terms hereof, in the following “Preliminary Principal Amounts”:

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\text{\$[\_\_\_\_\_\_] aggregate Preliminary Principal Amount of the Bonds}
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Adjustment of Bonds; Modification or Clarification Prior to Opening of Bids. The I-Bank may, in its sole discretion and prior to the opening of bids, (i) adjust the Preliminary Principal Amount of one or more maturities of the Bonds and, correspondingly, the aggregate Preliminary Principal Amount of the Bonds, and/or (ii) modify or clarify any other term hereof, by issuing a notification of the adjusted amounts.

* Subject to adjustment in accordance with this Notice of Sale.
modification or clarification, as the case may be, via Thomson Municipal Market Monitor (or some other municipal news wire service recognized by the municipal securities industry, “Thomson News Service”) no later than 9:30 a.m., New Jersey time, on the Bid Date.

**Adjustment of Bonds After Award.** The I-Bank may, in its sole discretion, after the receipt and opening of bids and award of the Bonds, adjust the Preliminary Principal Amount of one or more maturities of the Bonds and, correspondingly, the aggregate Preliminary Principal Amount of the Bonds (as adjusted, the “Final Principal Amounts”); provided, however, that such adjustment to one or more maturities of the Preliminary Principal Amount of the Bonds, in the aggregate, shall not exceed 10% of the aggregate Preliminary Principal Amount of the Bonds at the time of the opening of bids.

The dollar amount bid by the Successful Bidder with respect to the Bonds shall be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter’s discount and the original issue premium or discount, but will not change the per bond underwriter’s discount as calculated from the bid and the Initial Public Offering Prices (as hereinafter defined) required to be delivered to the I-Bank as stated herein. The I-Bank shall notify the Successful Bidder of the Final Principal Amounts and the resulting adjusted purchase prices no later than 5:00 p.m., New Jersey time, on the day of the sale and award of the Bonds.

**Bid Specifications and Procedures; Reservation of Rights by the I-Bank.** To be considered, any Proposal for Bonds submitted must be unconditional and must conform with all of the terms stated in this Notice of Sale.

A bidder must set forth the purchase price of the Bonds in the manner set forth in PARITY. The purchase price for the Bonds shall not be less than $[_,000]* (which is _%* of the aggregate Preliminary Principal Amount thereof) and shall not exceed $[_,000]* (which is _%* of the aggregate Preliminary Principal Amount thereof).

The I-Bank will, if applicable, adjust the purchase prices of the Successful Bidder in accordance with the prior section of this Notice of Sale entitled “Adjustment of Bonds After Award”.

THE SUCCESSFUL BIDDER MAY NOT WITHDRAW OR MODIFY ITS BID ONCE SUBMITTED TO THE I-BANK FOR ANY REASON, INCLUDING, WITHOUT LIMITATION, AS A RESULT OF ANY INCREASE OR DECREASE IN THE FINAL PRINCIPAL AMOUNTS AND THE AGGREGATE PURCHASE PRICE OF THE BONDS.

Bidders for the Bonds may specify one interest rate for all of the Bonds or may specify different interest rates for each maturity of the Bonds; provided that (i) the same interest rate applies to all of the Bonds that mature in the same year, and (ii) for the Bonds maturing in each of [2029] through and including [2048], no interest rate specified for any such maturity may be less than the interest rate specified for any prior maturity. All interest rates on the Bonds must be set forth by the bidders in PARITY in a multiple of 1/8th or 1/20th of one per centum per annum. The interest rate specified with respect to each maturity of the Bonds may not be less than [2.00]% per annum nor greater than [5.00]% per annum.

Bidders for the Bonds shall be deemed to have designated all Final Principal Amounts with respect to the Bonds as serial bond maturities unless such bidder designates one or more term bond maturities as follows (the “Term Bond Option”). If the Term Bond Option is selected with respect to one or more term bond maturities, the Final Principal Amounts with respect to the Bonds due on September 1 in any year from [2039] through and including [2048] may be designated by a bidder as consecutive sinking fund installments due in the designated years with the balance due on the respective term bond maturity date with respect to such term

* Subject to adjustment in accordance with this Notice of Sale.
bond. Bidders selecting the Term Bond Option shall adhere to the instructions set forth in PARITY with respect to their selection (within the parameters set forth herein) of the Term Bond Option.

Each term bond maturity designated using the instructions set forth in PARITY shall include all consecutive sinking fund installments therefor and shall be equal in aggregate Preliminary Principal Amount to, and with amortization requirements corresponding to, the corresponding consecutive serial bond maturities with respect to the Bonds as set forth in PARITY.

Bidders with respect to the Bonds shall adhere to the instructions set forth in PARITY with respect to the submission of the prices at which the Successful Bidder intends that each stated maturity of the Bonds shall initially be offered to the public, which for this purpose excludes bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers (the “Initial Public Offering Prices”). The Successful Bidder shall make a bona fide initial public offering of the Bonds at the Initial Public Offering Prices set forth in PARITY with respect to such Bonds.

All Proposals for Bonds must be submitted in accordance with the procedures set forth herein under the heading “Procedures Regarding Electronic Bidding”. ALL BIDS MUST BE SUBMITTED BY AN AUTHORIZED REPRESENTATIVE OF THE BIDDER. The I-Bank reserves the right to (i) reject, at its sole discretion, any or all Proposals for Bonds received on the Bid Date for any reason, including, without limitation, (a) the prevailing interest rate and other market conditions that exist on the Bid Date and (b) any non-compliance with or non-responsiveness to the terms hereof, (ii) so far as permitted by law and pursuant to its sole discretion, (a) waive any irregularities or informalities in Proposals for Bonds received on the Bid Date and/or (b) make any adjustments to Proposals for Bonds received on the Bid Date as provided in this Notice of Sale, and (iii) generally take such action, at its sole discretion, as it deems will best serve the interests of the I-Bank, the Borrowers, the Water Bank Programs or any other public interest. All bids that are submitted electronically via PARITY pursuant to the procedures described below shall be deemed to incorporate by reference all of the terms and conditions of this Notice of Sale.

The I-Bank further reserves the right to postpone or reschedule, from time to time, the Bid Date and/or the Closing Date for the Bonds. ANY SUCH POSTPONEMENT OR RESCHEDULING WILL BE ANNOUNCED VIA THOMSON NEWS SERVICE NO LATER THAN THE FOLLOWING TIMES ON THE LAST ANNOUNCED DATE FOR THE RECEIPT OF BIDS: (I) IF PRIOR TO THE RECEIPT OF BIDS, 9:30 A.M., NEW JERSEY TIME, OR (II) IF THERE IS NO SUCCESSFUL BIDDER FOR THE BONDS FOR ANY REASON IN ACCORDANCE WITH THE TERMS OF THIS NOTICE OF SALE, INCLUDING, WITHOUT LIMITATION, A DETERMINATION BY THE I-BANK TO REJECT ALL PROPOSALS FOR BONDS, 5:00 P.M., NEW JERSEY TIME. Any such alternative Bid Date and the time at which bids are next due will be announced via Thomson News Service at least forty-eight (48) hours, exclusive of weekends and State holidays, before bids are next due. On any such alternative Bid Date, bidders shall submit Proposals for Bonds in conformity with all of the requirements hereof, other than the date of submission and sale and any further or contrary provisions set forth in such announcement or in any adjustment, modification or clarification announcement referred to above, which further or contrary provisions must be complied with by all bidders.

All properly completed Proposals for Bonds must be submitted in the manner described below under the heading “Procedures Regarding Electronic Bidding”.

**Good Faith Deposit.** Each bidder submitting a Proposal for Bonds must provide, no later than 10:00 a.m., New Jersey time, on the Bid Date, in the amounts of $[____],000, (i) a certified or cashier’s check payable to the order of the “New Jersey Infrastructure Bank”, or (ii) an electronic transfer of immediately available federal funds in accordance with the wiring instructions set forth below (such check or electronic transfer of funds being hereinafter referred to as the “Deposit”).
If a check is used in satisfaction of the Deposit requirement, it must be received at the administrative offices of the I-Bank, located at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648 (the “Administrative Offices”) (via any available means, including, without limitation, overnight delivery and hand delivery) no later than 10:00 a.m., New Jersey time, on the Bid Date, and MUST BE ACCOMPANIED BY detailed address information for the return thereof in the event that such bidder is not the Successful Bidder.

A bidder providing the Deposit via electronic transfer of immediately available federal funds shall electronically transmit such funds to ZB, National Association d/b/a Zions Bank, the Trustee with respect to the Bonds pursuant to the Resolution, as follows:

RBK: Zions Bank  
ABA: 124000054  
BNF: Zions Bank Clearing Account  
Beneficiary Account Number: 080000672  
Beneficiary Account Address: 401 Liberty Ave., Suite 1729  
Pittsburgh, Pennsylvania 15222  
Ref.: NJIB 2018A-2 Good Faith Deposit (6046786a)  
Contact: Eric Mitzel  
Phone: (412) 208-0172  
Email: eric.mitzel@zionsbancorp.com

If an electronic transfer of funds is used in satisfaction of the Deposit requirement, such funds must be received in the account identified above no later than 10:00 a.m., New Jersey time, on the Bid Date, and MUST BE ACCOMPANIED BY detailed wiring instructions for the return thereof in the event that such bidder is not the Successful Bidder. In order to facilitate confirmation by the I-Bank of its receipt of a Deposit provided via an electronic transfer of funds prior to the deadline for receipt thereof, the I-Bank encourages bidders to transmit the “fed reference number” with respect to such bidder’s electronic transfer of funds by means of an e-mail message sent to both the Trustee (at eric.mitzel@zionsbancorp.com) and the I-Bank (at ktexany@njib.gov), as soon as such reference number is received by the bidder. Please note that the contact information (i.e., telephone number and e-mail address) with respect to the Trustee, as set forth above, should be used by bidders only for the purposes of (i) confirming receipt of electronic transfers of funds and (ii) the transmittal of instructions for the return of such electronic transfers of funds in the event that such bidder is not the Successful Bidder, and should NOT be used for questions or other information relating to this Notice of Sale or the Bonds.

THE I-BANK IS NOT RESPONSIBLE FOR A CHECK OR WIRE TRANSFER THAT IS TRANSMITTED BY, OR ON BEHALF OF, A BIDDER BUT IS NOT RECEIVED AT OR PRIOR TO 10:00 A.M., NEW JERSEY TIME, ON THE BID DATE, AND EACH BIDDER IS SOLELY RESPONSIBLE FOR CONFIRMING RECEIPT OF ITS DEPOSIT AT OR PRIOR TO SUCH TIME. PLEASE NOTE THAT THE DEADLINE FOR RECEIPT OF THE DEPOSIT, 10:00 A.M., NEW JERSEY TIME, IS ONE AND ONE-HALF HOURS PRIOR TO THE DEADLINE FOR THE RECEIPT OF PROPOSALS FOR BONDS.

The checks and electronic transfers of funds of unsuccessful bidders for the Bonds will be returned following the award of the Bonds. Checks will be returned via overnight mail to be sent by the I-Bank to the respective unsuccessful bidders on the Bid Date, provided that detailed address information for the return thereof (as required above) has been provided to the I-Bank by such unsuccessful bidders. It is the intent of the I-Bank that electronic transfers of funds will be returned via wire transfer to the respective unsuccessful bidders not later than close of business, New Jersey time, on the Bid Date, provided that wiring instructions (as required above) have been provided to the I-Bank by such unsuccessful bidders at the time of transmission of
the Deposit to the I-Bank. Neither the I-Bank nor the Trustee shall bear any liability for any delay that may occur in the return to an unsuccessful bidder of a Deposit check or an electronic transfer of the Deposit.

Interest earned on the Deposit provided by each Successful Bidder will be credited to the I-Bank for its general corporate purposes, and will not be available to the Successful Bidder for the Bonds for any purpose thereof, including, without limitation, the payment of the purchase price thereof.

Concurrently with the delivery of and payment for the Bonds on the Closing Date, the principal amount of the Deposit will be applied as partial payment for the Bonds. In the event that the I-Bank shall fail to deliver the Bonds on the Closing Date, or if the I-Bank shall be unable to satisfy the conditions to the obligations of the Successful Bidder to pay for and accept delivery of the Bonds, or if such obligations shall be terminated for any of the reasons specified herein, the principal amount of the Deposit shall immediately be returned to the Successful Bidder as and for full liquidated damages and in full release of any claims that the Successful Bidder might have against the I-Bank on account of the I-Bank’s failure to deliver the Bonds. In the event the Successful Bidder shall fail (other than for the reasons permitted pursuant to this Notice of Sale) to accept delivery of and pay for the Bonds on the Closing Date, the Deposit shall be retained by the I-Bank as and for full liquidated damages and in full release of any claims that the I-Bank might have against the Successful Bidder on account of the Successful Bidder’s failure to accept delivery of and pay for the Bonds.

Procedures Regarding Electronic Bidding. Bids shall be submitted electronically via PARITY in accordance with this Notice of Sale until [11:30] a.m., New Jersey time, on the Bid Date, but no bid will be received after the time for receiving bids as specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact the I-Bank’s financial advisor (using the contact information set forth in the final paragraph of this Notice of Sale) or may contact i-Deal at (212) 849-5024. By submitting a bid for the Bonds via PARITY, the bidder further agrees that:

1. If such bid submitted is accepted by the I-Bank, the terms of this Notice of Sale and the information that is electronically transmitted through PARITY shall form a contract, and the Successful Bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the I-Bank, and the I-Bank shall have no liability whatsoever based upon any bidder’s use of PARITY, including, but not limited to, any failure by PARITY to correctly or timely transmit either (i) information provided by the I-Bank or (ii) information provided by the bidder.

3. Once the bids are communicated electronically via PARITY to the I-Bank as described above, each bid will constitute a Proposal for Bonds and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale.

4. For purposes of submitting Proposals for Bonds, the time as maintained on PARITY shall constitute the official time.

5. Each bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid electronically in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the I-Bank nor PARITY shall have any duty or obligation to provide or assure access to PARITY for any bidder, and neither the I-Bank nor PARITY shall be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The I-Bank is using PARITY as a communication mechanism, and not as the I-Bank’s agent, to conduct the bidding for the Bonds. By using PARITY, each bidder agrees to hold the I-Bank harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.
**Basis of Award.** Unless all Proposals for Bonds are rejected as provided by the terms of this Notice of Sale, the Bonds will be preliminarily awarded by the Executive Director, subject to adjustment in accordance with the section of this Notice of Sale entitled “Adjustment of Bonds After Award”, no later than approximately 1:00 p.m., New Jersey time, on the Bid Date at the Administrative Offices, with the Bonds being awarded to the bidder offering such interest rate or rates and purchase price that will produce the lowest true interest cost to the I-Bank over the life of the Bonds (the “Successful Bidder”).

True interest cost for the Bonds (expressed as an annual interest rate) will be that annual interest rate being twice that factor or discount rate, compounded semiannually, that, when applied against each semiannual debt service payment (interest or principal and/or sinking fund installment and interest, as due) for the Bonds, will equate the sum of such discounted semiannual payments to the bid price. The true interest cost for the Bonds shall be calculated from the dated date (November 29, 2018, unless changed as described herein) and shall be based upon (i) the Preliminary Principal Amounts thereof and (ii) the purchase price set forth in the Proposal for Bonds. In the case of a tie for the Bonds, the I-Bank may select the Successful Bidder by lot. It is requested that each Proposal for Bonds be accompanied by a computation of such true interest cost to the I-Bank under the terms of such Proposal for Bonds in accordance with the instructions set forth in PARITY, but such computation is not to be considered as part of such Proposal for Bonds.

**Authority and Purpose.** The Bonds will be issued in accordance with the provisions of (i) the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (N.J.S.A. 58:11B-1 et seq.), as the same has been, and from time to time may be, amended and supplemented (the “I-Bank Act”), (ii) all other applicable law, and (iii) a bond resolution adopted by the I-Bank on April 13, 2018 and entitled “Environmental Infrastructure Bond Resolution, Series 2018A-2” (the “Resolution”).

The Bonds will be issued for the purpose of making loans to finance or refinance a portion of the costs of the environmental infrastructure facility projects of the respective Series 2018A-2 Borrowers (the “Projects”).

**Security for Bonds.** The Bonds will be special and limited obligations of the I-Bank, secured by the Series 2018A-2 Trust Estate as well as moneys on deposit in the Master Program Trust Account.

**Optional Redemption.** The Bonds maturing on or prior to September 1, [2028] shall not be subject to redemption prior to their respective stated maturity dates. The Bonds maturing on or after September 1, [2029] shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, [2028], at the option of the I-Bank, upon the terms set forth in the respective Resolutions, either in whole or in part, and if in part by lot within a maturity or maturities determined by the I-Bank, on any date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.

**Possibility of Mandatory Sinking Fund Redemption.** To the extent the Successful Bidder chooses the Term Bond Option, the term bond maturity or maturities of the Bonds will be subject to mandatory sinking fund redemption prior to the stated maturity or maturities thereof through selection by lot by the Trustee under the Resolution, upon the giving of notice as provided in the Resolution, by payment of sinking fund installments on September 1 in the years designated by the Successful Bidder in its Proposals for Bonds as sinking fund installment due dates, at a redemption price equal to 100% of the principal amount of any such sinking fund installment plus interest accrued to the redemption date.

**Notice of Redemption.** For so long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, notice of redemption, if any, will be mailed to DTC or its nominee as the registered owner thereof. For so long as the Bonds are registered in book-entry-only form, the I-Bank will not be responsible for mailing notices of redemption to anyone other than DTC or its nominee.

**Delivery and Payment.** It is expected that delivery of the Bonds in definitive form will take place at the offices of DTC in New York, New York, against payment of the purchase price thereof (less the
Deposit) in IMMEDIATELY AVAILABLE FEDERAL FUNDS, with closing taking place at the offices of McCarter & English, LLP, bond counsel to the I-Bank (“Bond Counsel”), in Newark, New Jersey, on or about November 29, 2018 (or the subsequent date for issuance of the Bonds as set forth in any postponement notice, the “Closing Date”).

Establishing Issue Price. By submitting a Proposal for Bonds, each bidder represents that (i) such bidder is an underwriter (as defined below) of municipal bonds that has an established industry reputation for underwriting new issuances of municipal bonds and (ii) such bidder intends to offer the Bonds to the public (as defined below). By submitting a Proposal for Bonds, each bidder certifies that its Proposal for Bonds is a good faith offer that the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted to the I-Bank for the purpose of assisting in meeting the Competitive Sale Requirements (as defined below). In addition, by submitting a Proposal for Bonds, each bidder represents that: any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to accept the restrictions in the “hold-the-offering-price” provisions of Treasury Regulation Section 1.148-1(f)(2)(ii), set forth below, if the Competitive Sale Requirements are not met.

The Successful Bidder for the Bonds agrees that, simultaneously with or prior to delivery of the Bonds, the Successful Bidder shall furnish to the I-Bank a certificate, acceptable to Bond Counsel, for the purpose of establishing the issue price (within the meaning of Treasury Regulation Section 1.148-1(f)) of the Bonds, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Successful Bidder, the I-Bank and Bond Counsel. Such certificate shall state that: (i) such Successful Bidder has made a bona fide offering to the public (as defined below) of each stated maturity of the Bonds at the respective Initial Public Offering Prices set forth in its Proposal for Bonds; (ii) at the time such Successful Bidder submitted its Proposal for Bonds, the related Initial Public Offering Prices set forth therein represented the Successful Bidder’s reasonably expected initial offering price to the public of each stated maturity of the Bonds, and (iii) such other information reasonably requested by Bond Counsel to assist in establishing the issue price of the Bonds, pursuant to the applicable provisions set forth below.

The I-Bank intends that the “competitive sale” provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (the “Competitive Sale Requirements”) will apply for the purpose of establishing the issue price of the Bonds, including, without limitation, the requirement that bids be received for the Bonds from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds. If satisfied, the Competitive Sale Requirements will result in establishing the “issue price” for the Bonds based upon the reasonably expected initial offering price to the public of the Successful Bidder for the Bonds. The I-Bank will advise the Successful Bidder as to whether the Competitive Sale Requirements have been met at the same time it notifies the Successful Bidder of the award of the Bonds. The Successful Bidder for the Bonds shall, within one (1) hour after being notified of the award of the Bonds, advise the I-Bank by electronic mail or facsimile transmission (pursuant to the instructions set forth below) of the Initial Public Offering Price of each maturity of the Bonds as of the date of the award. Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.

The Successful Bidder for the Bonds agrees that, if the Competitive Sale Requirements are not met for the Bonds, the Successful Bidder and the underwriters that are part of the underwriting syndicate and any selling group with the Successful Bidder will satisfy the following requirements of the “hold-the-offering-price” provisions of Treasury Regulation Section 1.148-1(f)(2)(ii) with respect to the Bonds:

1. make a bona fide offering to the public of all of the bonds that are part of the Bonds at the Initial Public Offering Prices, and the Successful Bidder shall provide to the I-Bank, the I-Bank’s financial advisor and Bond Counsel (pursuant to the instructions set forth below) reasonable
supporting documentation, such as a copy of the pricing wire or equivalent communication, in a form that is acceptable to Bond Counsel;

2. neither offer nor sell any bonds of a maturity of the Bonds to any person at a price that is higher, or a yield that is lower, than the Initial Public Offering Price for such maturity until the earlier of (i) the date on which the Successful Bidder, and the underwriters that are part of an underwriting syndicate or selling group with the Successful Bidder, has sold to the public at least 10 percent of the bonds of such maturity of the Bonds at a price that is no higher, or a yield that is no lower, than the Initial Public Offering Price of such maturity of the Bonds, or (ii) the close of business on the 5th business day after the date of the award of the Bonds; and

3. include, or cause to be included, within (i) any agreement among underwriters, any selling group agreement and any retail distribution agreement, to which either the Successful Bidder or any other member of an underwriting syndicate established by the Successful Bidder the Bonds is a party, relating to the initial sale of the Bonds to the public, and (ii) in the related pricing wire, language obligating each underwriter to comply with the limitations on the sale of the Bonds set forth in 2., above.

For purposes of establishing the issue price of the Bonds, the following terms shall be defined as follows:

1. “underwriter” means (i) the Successful Bidder for the Bonds, (ii) any person that agrees, pursuant to a written contract with such Successful Bidder, to participate in the initial sale of the Bonds to the public, and (iii) any person that agrees, pursuant to a written agreement with either the Successful Bidder or any other member of any underwriting syndicate for the Bonds, to participate in the initial sale of the Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public);

2. “public” means any person other than an underwriter or a related party (as defined below) to an underwriter; and

3. “related party” to an underwriter means a related party as defined in Treasury Regulation Section 1.150-1(b), e.g., any person who has greater than fifty percent (50%) common ownership, directly or indirectly, with an underwriter.

Sales of Bonds to any person that is a related party to an underwriter shall not constitute sales to the public.

Submissions to the I-Bank, the I-Bank’s financial advisor and Bond Counsel, required pursuant to the provisions of this section, shall be directed to: David E. Zimmer, Executive Director of the I-Bank, at dzimmer@njib.gov or facsimile number 609-219-8620, with transmission, via either method, confirmed by phone (609-219-8600).

Closing. The Successful Bidder agrees to provide to the I-Bank, within twenty-five (25) days after the Closing Date, a report showing the allocation of the Bonds received by each member of the underwriting syndicate therefor, and that portion of the underwriting fee allocable to each member of the underwriting syndicate.

The Successful Bidder may, at its option, refuse to accept the Bonds if subsequent to the Bid Date but prior to the Closing Date any income tax law of the United States of America or of the State shall be enacted that shall, in the opinion of Bond Counsel, materially adversely affect (i) the excludability of interest on the Bonds from gross income of the owners thereof for federal income tax purposes or (ii) the other material tax
consequences attributable to the receipt of interest on the Bonds described in the “TAX MATTERS” section of the Preliminary Official Statement. In each such case, (i) the I-Bank shall have no obligation hereunder to deliver the Bonds on the Closing Date, (ii) the I-Bank shall not be liable to any person for any damages arising out of such non-delivery of the Bonds, and (iii) the principal amount of the Deposit will be returned to the Successful Bidder who, in turn, will be relieved of its contractual obligations arising from the I-Bank’s acceptance of its applicable Proposal for Bonds.

The obligations hereunder to deliver and to accept delivery of and pay for the Bonds are conditioned upon the availability and the delivery on the Closing Date of a copy of the approving opinion of Bond Counsel applicable to the Bonds, including one copy thereof manually signed, substantially in the form set forth in the Preliminary Official Statement, which opinion shall be furnished to the Successful Bidder without cost.

The obligations hereunder to deliver and to accept delivery of and pay for the Bonds shall be further conditioned upon the successful completion by the I-Bank of certain escrow procedures and the availability and the delivery to the Successful Bidder on the Closing Date of (i) certificates in form and substance satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, (ii) a certificate of the Attorney General of the State of New Jersey, General Counsel to the I-Bank, dated the Closing Date, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Bonds or, in lieu of such statement, statements by the Attorney General that, in his opinion, the issues raised in any such pending or threatened litigation, insofar as they affect the validity of the Bonds, are without substance or that the contention of any plaintiffs therein that affects the validity of the Bonds is without merit, (iii) one manually signed copy of the Official Statement (as hereinafter defined), (iv) a supplemental opinion of Bond Counsel, including one copy thereof manually signed, to the effect that the Official Statement (other than the information contained under the caption “THE SERIES 2018 BONDS -Book-Entry-Only System” and in Appendices A, B, C and D thereto, the descriptions of the Projects, and all financial and statistical data contained therein, as to which no opinion need be expressed), as of its date and on the Closing Date, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, and (v) a certificate of the Chairman, the Vice-Chairman or the Executive Director of the I-Bank stating that (a) the Official Statement (other than the information contained under the caption “THE SERIES 2018 BONDS - Book-Entry-Only System” and in Appendices G and H thereto, as to which no statement need be made), as of its date, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, and (b) there has been no material adverse change in the financial condition and affairs of the I-Bank during the period from the date of the Official Statement to and including the Closing Date that was not disclosed in or contemplated by the Official Statement.

Preliminary and Final Official Statements. The I-Bank, by accepting the Proposal for Bonds submitted by the Successful Bidder, (i) certifies to such Successful Bidder, as of the date of acceptance of such Proposal for Bonds, that the Preliminary Official Statement furnished to such Successful Bidder prior to the date of such acceptance has been “deemed final” as of its date by the I-Bank within the meaning and for the purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended and supplemented (“Rule 15c2-12”), except for certain omissions permitted thereunder and except for changes permitted thereby and by other applicable law, (ii) agrees to provide such Successful Bidder, in order to permit such Successful Bidder to comply with Rule 15c2-12, up to 75 copies of the final Official Statement, substantially in the form of the Preliminary Official Statement with such changes thereto and insertions therein as shall be necessary to comply with Rule 15c2-12 (the “Official Statement”), to be disseminated by the I-Bank in connection with the sale by the I-Bank of the Bonds within the period of time allowed under Rule 15c2-12 for the dissemination thereof, at the sole cost and expense of the I-Bank, with any additional copies that such Successful Bidder shall reasonably request to be provided at the sole cost and expense of the Successful Bidder, and (iii) undertakes, through the adoption of the Resolution and through the execution and delivery of the I-Bank Continuing Disclosure Agreement for the Series 2018 (SFY2019) Water Bank Program,
to deliver certain information relating to the Series 2018 (SFY2019) Water Bank Program as a material “obligated person” (within the meaning and for the purposes of Rule 15c2-12). The Successful Bidder, by executing its Proposal for Bonds, (i) agrees to provide (a) one copy of the final Official Statement to at least one “nationally recognized municipal securities information repository” within the meaning of Rule 15c2-12 (a “Repository”; as of the date hereof, the sole Repository designated by the SEC in accordance with Rule 15c2-12 is the Electronic Municipal Market Access facility for municipal securities disclosure of the Municipal Securities Rulemaking Board (the “MSRB”)) upon receipt of the final Official Statement from the I-Bank, and (b) one electronic copy of the final Official Statement (with any required forms) to the MSRB or its designee pursuant to MSRB Rule G-32 no later than ten business days following the date of acceptance of its bid, and (ii) further agrees to comply with all other applicable provisions of Rule 15c2-12 and MSRB Rule G-32. The Successful Bidder shall notify the I-Bank of (i) the date that is the “end of the underwriting period” relating to the Bonds within the meaning of Rule 15c2-12, and (ii) the date on which the final Official Statement is filed with a Repository and the MSRB or its designee. Copies of the Preliminary Official Statement may be obtained at the offices listed in the last paragraph of this Notice of Sale.

Compliance with P. L. 2005, c. 51. By submitting a Proposal for Bonds to the I-Bank, each bidder represents and warrants for itself and the other underwriters participating in the bid (together with the bidder, the “Syndicate Members”), as follows: (i) each Syndicate Member has submitted to the State all information, certifications and disclosure statements required pursuant to (a) P.L. 2005, c. 51, enacted March 22, 2005, which codified Executive Order No. 134 (McGreevey 2004) (“P.L. 2005, c. 51”), and (b) Executive Order No. 117 (Corzine 2008) (“Executive Order 117”), and each Syndicate Member is in full compliance with the provisions of P.L. 2005, c. 51 and Executive Order 117; (ii) all information, certifications and disclosure statements previously submitted to the State pursuant to P.L. 2005, c. 51 and Executive Order 117 by each Syndicate Member are true and correct as of the date hereof; (iii) the representations and warranties set forth in clauses (i) and (ii) hereof have been made by the bidder with full knowledge that the I-Bank, in engaging the Successful Bidder in connection with the award of the Bonds, shall rely upon the truth thereof and the truth of the information, certifications and disclosure statements referred to therein; and (iv) on the Closing Date, the Successful Bidder shall, on behalf of itself and the Syndicate Members, execute and deliver to the I-Bank a certificate to the effect that the representations and warranties set forth in clauses (i), (ii) and (iii) hereof are true and correct as of the Closing Date.

For helpful information concerning P.L. 2005, c. 51 and Executive Order 117 (including the full text thereof), please reference http://www.state.nj.us/treasury/purchase/execorder134.shtml.

Compliance with P. L. 2005, c. 271 Reporting Requirements. Each bidder is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (“ELEC”) pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c. 271, Section 3) if the bidder’s bid is accepted by the I-Bank and the bidder enters into contracts or agreements with public entities in the State, such as the I-Bank, and receives compensation or fees in excess of $50,000 or more in the aggregate from public entities in the State, such as the I-Bank, in a given calendar year. It is the responsibility of the Successful Bidder to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at (888) 313-3532 or at http://www.elec.state.nj.us.

Compliance with P. L. 2012, c. 25: Certification of Non-Involvement in Prohibited Activities in Iran. Pursuant to N.J.S.A. 52:32-58 (P.L. 2012, c. 25, Section 4), the Successful Bidder will be required to file with the I-Bank, on or prior to the Closing Date, a certification (the form of which is available at http://www.state.nj.us/treasury/purchase/forms/StandardRFPForms.pdf) that neither such Successful Bidder, nor any of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is listed on the New Jersey Department of the Treasury’s List of Persons or Entities Engaging in Prohibited Investment Activities in Iran (a copy of which is available at http://www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf). If a bidder is unable to so certify, the bidder shall provide a detailed and precise description of such activities. If any bidder has not previously submitted the certification required
pursuant to L. 2012, c. 25 or has any questions concerning the requirements of L. 2012, c. 25, such bidder should contact the Executive Director of the I-Bank at (609) 219-8600. The certification must be submitted to the I-Bank, Attention: Executive Director, via facsimile to (609) 219-8620 or via electronic mail to dzimmer@njib.gov. **Compliance with the certification requirement set forth in this paragraph is a material term and condition pursuant to this Notice of Sale and is binding upon each bidder.**

* * *

The foregoing is not intended as a complete summary of all of the provisions of the Resolution and the Preliminary Official Statement. For further information with respect thereto, reference is hereby made to the Resolution and the Preliminary Official Statement.

Copies of the Preliminary Official Statement and this Notice of Sale may be obtained from the Executive Director at the Administrative Offices of the I-Bank (telephone (609) 219-8600) or from Public Financial Management, Inc., financial advisor to the I-Bank, 1735 Market Street, 43rd Floor, Philadelphia, Pennsylvania 19103, Attention: Geoffrey Stewart or Christopher DeStefano (telephone (215) 567-6100).

David E. Zimmer, CFA  
Executive Director  
New Jersey Infrastructure Bank

Dated: November 1, 2018
EXHIBIT A

ISSUE PRICE CERTIFICATE

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

McCarter & English, LLP
Four Gateway Center
100 Mulberry Street
Newark, New Jersey 07102

Re: New Jersey Infrastructure Bank
$_________ Environmental Infrastructure Bonds, Series 2018A-2 (Green Bonds)

Ladies and Gentlemen:

The undersigned, on behalf of [NAME OF UNDERWRITER or REPRESENTATIVE OF THE UNDERWRITING GROUP] ["[DEFINED TERM FOR UNDERWRITER]"][(the “Representative”), on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] HEREBY REPRESENTS AND CERTIFIES, as set forth below, with respect to the sale and issuance by the New Jersey Infrastructure Bank (the “I-Bank”) of the above-captioned bonds (the “Series 2018A-2 Bonds”).

[Alternative 1 – Competitive Sale Requirements met (i.e., 3 bids received]


   (a) As of the sale date of the Series 2018A-2 Bonds, the reasonably expected initial offering prices of the Series 2018A-2 Bonds to the public by [DEFINED TERM FOR UNDERWRITER] [the Underwriting Group] are the prices listed in the reoffering scale attached hereto as Schedule A (the “Initial Public Offering Prices”). The Initial Public Offering Prices are the price for the maturities of the Series 2018A-2 Bonds used by [DEFINED TERM FOR UNDERWRITER] [the Representative] in formulating its bid to purchase the Series 2018A-2 Bonds. Attached hereto as Schedule B is a true and correct copy of the bid provided by [DEFINED TERM FOR UNDERWRITER] [the Representative] to purchase the Series 2018A-2 Bonds.

   (b) [DEFINED TERM FOR UNDERWRITER] [The Representative] was not given the opportunity to review other bids prior to submitting its bid.

   (c) The bid submitted by [DEFINED TERM FOR UNDERWRITER] [the Representative] constituted a firm offer to purchase the Series 2018A-2 Bonds and was not provided as a “courtesy bid” for the purpose of assisting in the establishment of the issue price of the Series 2018A-2 Bonds.

[Alternative 2 – “hold-the-offering-prices”]


   (a) [DEFINED TERM FOR UNDERWRITER] [The Representative] represents that a bona fide offering was made to the public of all of the Series 2018A-2 Bonds at the prices listed in the reoffering scale attached hereto as Schedule A (the “Initial Public Offering Prices”). Attached hereto as Schedule B is a true and correct copy of the bid provided by [DEFINED TERM FOR UNDERWRITER] [the Representative] to purchase the Series 2018A-2 Bonds.

   (b) [DEFINED TERM FOR UNDERWRITER] [The Representative and the members of the Underwriting Group] will neither offer nor sell any bonds of a maturity of the Series 2018A-2 Bonds to any person at a price that is higher, or a yield that is lower, than the Initial Public Reoffering Price for such
maturity until the earlier of (i) the date on which the [DEFINED TERM FOR UNDERWRITER has] [the Representative and the members of the Underwriting Group have] sold to the public at least 10 percent of the bonds of such maturity of Series 2018A-2 Bonds at a price that is no higher, or a yield that is no lower, than the Initial Public Reoffering Price of such maturity of the Series 2018A-2 Bonds, or (ii) the close of business on the 5th business day after the date of the award of the Series 2018A-2 Bonds; and

(c) [DEFINED TERM FOR UNDERWRITER] [The Representative] will include, or cause to be included, within (i) any agreement among underwriters, any selling group agreement and any retail distribution agreement, to which either [DEFINED TERM FOR UNDERWRITER] [the Representative] or any other member of an underwriting syndicate established by [DEFINED TERM FOR UNDERWRITER] [the Representative or members of the Underwriting Group] for the Series 2018A-2 Bonds is a party, relating to the initial sale of the Series 2018A-2 Bonds to the public, and (ii) in any related pricing wire language obligating each underwriter to comply with the limitations on the sale of the Series 2018A-2 Bonds set forth in (b), above.

For purposes of establishing the issue price of the Series 2018A-2 Bonds, the following terms shall be defined as follows:

1. “underwriter” means (i) [DEFINED TERM FOR UNDERWRITER] [the underwriting Group for the Series 2018A-2 Bonds, (ii) any person that agrees, pursuant to a written contract with such successful bidder, to participate in the initial sale of the Series 2018A-2 Bonds to the public, and (iii) any person that agrees, pursuant to a written agreement with either [DEFINED TERM FOR UNDERWRITER] [the Representative and the members of the Underwriting Group] or any other member of any underwriting syndicate for the Series 2018A-2 Bonds, to participate in the initial sale of the Series 2018A-2 Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Series 2018A-2 Bonds to the public);

2. “public” means any person other than an underwriter or a related party (as defined below) to an underwriter; and

3. “related party” to an underwriter means a related party as defined in Treasury Regulation Section 1.150-1(b)), e.g., any person who has greater than fifty percent (50%) common ownership, directly or indirectly, with an underwriter.

The representations and certifications set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM’S] [the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon (i) by the I-Bank with respect to certain of the representations set forth in its Tax Certificate relating to the Series 2018A-2 Bonds and with respect to compliance with the federal income tax rules affecting the Series 2018A-2 Bonds, and (ii) by McCarter & English, LLP, as bond counsel to the I-Bank, in connection with (a) rendering its opinion that the interest on the Series 2018A-2 Bonds is excluded from gross income for federal income tax purposes, (b) the preparation of the Internal Revenue Service Form 8038-G, and (c) other federal income tax advice that it may give to the I-Bank from time to time relating to the Series 2018A-2 Bonds.

[UNDERWRITER][REPRESENTATIVE]

By:

Name:__________________________________

Dated: [ISSUE DATE]
I-BANK CONTINUING DISCLOSURE AGREEMENT

BY AND AMONG

NEW JERSEY INFRASTRUCTURE BANK,

ZB, NATIONAL ASSOCIATION d/b/a ZIONS BANK,

as Trustee

AND

U.S. BANK TRUST NATIONAL ASSOCIATION

as Master Program Trustee

Dated as of November 1, 2018

Entered into with respect to the New Jersey Infrastructure Bank's Environmental Infrastructure Bonds, Series 2018A-2 (Green Bonds), dated November 29, 2018
I-BANK CONTINUING DISCLOSURE AGREEMENT

THIS I-BANK CONTINUING DISCLOSURE AGREEMENT (this "Agreement"), made and entered into as of November 1, 2018, by and among NEW JERSEY INFRASTRUCTURE BANK (f/k/a the New Jersey Environmental Infrastructure Trust) (the "I-Bank"), a public body corporate and politic with corporate succession duly created and validly existing under the laws of the State of New Jersey (the "State"), ZB, NATIONAL ASSOCIATION d/b/a ZIONS BANK as Trustee, a national banking association and trust company duly organized and validly existing under the laws of the United States and duly authorized to act in the State (the "Trustee"), and U.S. BANK TRUST NATIONAL ASSOCIATION, as Master Program Trustee, a national banking association and trust company duly organized and validly existing under the laws of the United States and duly authorized to act in the State (the "Master Program Trustee").

WITNESSETH THAT:

WHEREAS, the I-Bank, duly created and validly existing under and by virtue of the "New Jersey Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 et seq.), as the same may from time to time be amended and supplemented (the "Act"), in accordance with and pursuant to (i) the Act, (ii) the "Environmental Infrastructure Bond Resolution, Series 2018A-2", as adopted by the Board of Directors of the I-Bank on September 13, 2018 (the "Resolution"), and (iii) a financial plan approved by the State Legislature in accordance with Section 23 of the Act, has issued its Environmental Infrastructure Bonds, Series 2018A-2 (the "Bonds") as part of the State Fiscal Year 2019 environmental infrastructure financing program (the "Program") for the purpose, inter alia, of making loans to, among others, any New Jersey municipality or county or municipal, county or regional sewerage, utilities or improvement authority, any other local political subdivision, or any private water company (each a "Borrower") authorized to construct, operate and maintain environmental infrastructure systems that has entered into a Loan Agreement with the I-Bank, dated as of November 1, 2018 (each a "I-Bank Loan Agreement"), pursuant to which such Borrower will borrow money financed through the issuance of the Bonds (the "I-Bank Loan") to finance a portion of the cost of its environmental infrastructure system project (each a "Project") (all capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in Article I of the I-Bank Loan Agreement);

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

WHEREAS, the State Legislature, in accordance with Section 20 of the Act, has in the form of an appropriations act approved a project priority list that includes each Project and that authorizes an expenditure of proceeds of the Bonds to finance a portion of the Cost of the Project;

WHEREAS, the I-Bank has approved each Borrower's application for a I-Bank Loan from available proceeds of the Bonds to finance a portion of the Cost of the Project;
WHEREAS, the State, acting by and through the New Jersey Department of Environmental Protection, has simultaneously made a companion loan (each a "Fund Loan") to each of the Borrowers for the balance of the then eligible costs of each such Project, with the balance of any such costs funded by the Borrowers or by supplemental loans from the I-Bank and the State in other financing programs;

WHEREAS, each Borrower, in accordance with, as applicable, the Act, the Regulations, and WHEREAS, each Borrower, in accordance with, as applicable, the Act, the Regulations, the Borrower Enabling Act, the "Local Bond Law, as the same may from time to time be amended and supplemented, the "Local Budget Law", constituting Chapter 169 of the Pamphlet Laws of 1960 of the State (codified at N.J.S.A. 40A:4-1 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-l et seq.), as the same may from time to time be amended and supplemented, the "Sewerage Authorities Law", constituting Chapter 138 of the Pamphlet Laws of 1946 of the State (codified at N.J.S.A. 40:14A-2 et seq.), as the same may from time to time be amended and supplemented, the "County Improvement Authorities Law", constituting Chapter 183 of the Pamphlet Laws of 1960 of the State (codified at N.J.S.A. 40:37A-44 et seq.), as the same may from time to time be amended and supplemented, 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, and the “New Jersey Business Corporation Act”, constituting Chapter 263 of the Pamphlet Laws of 1968 of the State (codified at N.J.S.A. 14A:1-1 et seq.), as the same may from time to time be amended and supplemented, has issued a Borrower bond to the I-Bank evidencing its I-Bank Loan and a Borrower bond to the State evidencing its Fund Loan on the date of issuance of the Bonds;

WHEREAS, the Trustee has duly accepted, as Trustee for the Holders from time to time of the Bonds, the trusts imposed upon it by the Resolution in connection with the issuance of the Bonds;

WHEREAS, pursuant to the terms and provisions of the Resolution the State’s right to receive Fund Loan repayments to be made by Borrowers is subordinate to the right of the I-Bank to receive I-Bank Loan repayments to be made by such Borrowers as security for the Bonds;

WHEREAS, pursuant to the terms and provisions of that certain Master Program Trust Agreement dated as of November 1, 1995 by and among the I-Bank, the State, acting by and through the State Treasurer on behalf of the State and the State Department of Environmental Protection, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder, as supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement dated as of November 1, 2001 by and among the United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A., (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the I-Bank, as the same
may be amended and supplemented from time to time in accordance with its terms (as amended, the "Master Program Trust Agreement"), the State has agreed to subordinate further its right to receive Fund Loan repayments to be made pursuant to the Coverage Providing Financing Programs (as such term is defined in the Master Program Trust Agreement), which further subordination will occur through the payment by the loan servicers under the Coverage Providing Financing Programs of certain moneys into a "Master Program Trust Account" at the times and in the amounts set forth in the Master Program Trust Agreement, such moneys to be held by the Master Program Trustee as security for the Coverage Receiving I-Bank Bonds (as such term is defined in the Master Program Trust Agreement), including, without limitation, the Bonds;

WHEREAS, the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified as of the date hereof at 15 U.S.C. 77 et seq.) (the "Securities Exchange Act"), has adopted amendments effective July 3, 1995 to its Rule 15c2-12 (codified at 17 C.F.R. §240.15c2-12), as the same may be further amended, supplemented and officially interpreted from time to time or any successor provision thereto ("Rule 15c2-12"), generally prohibiting a broker, dealer or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and operating data and notices of the occurrence of certain material events to various information repositories;

WHEREAS, in order to comply with Rule 15c2-12, the I-Bank has determined that (i) the Program and (ii) certain Borrowers, and, if applicable, certain related local government units, are material "obligated persons" in connection with the issuance of the Bonds, as the term "obligated person" is defined in Rule 15c2-12, which determination has been made pursuant to objective criteria (the "Objective Criteria") set forth in the Resolution, the Notice of Sale dated November 1, 2018 (the "Notice of Sale"), the Preliminary Official Statement dated November 1, 2018 (the "Preliminary Official Statement") and the Final Official Statement dated November __, 2018 (the "Final Official Statement"), which Objective Criteria, as set forth in the Final Official Statement, are attached hereto as Exhibit A and made a part hereof;

WHEREAS, each such Borrower has entered into a separate continuing disclosure agreement with the I-Bank and the Trustee (or any successor thereto) for the purpose of satisfying Rule 15c2-12, and pursuant to the terms of such agreement each such Borrower is required to cause the delivery of the information described therein to the municipal securities marketplace for the period of time specified therein;

WHEREAS, the I-Bank is not an "obligated person" in connection with the Bonds, as the term "obligated person" is defined in Rule 15c2-12;

WHEREAS, simultaneously with the issuance of the Bonds, the I-Bank shall enter into this Agreement with the Trustee and the Master Program Trustee for the purpose of satisfying Rule 15c2-12;
WHEREAS, on November 13, 2018, the I-Bank accepted the bid of [ ___ ], on behalf of itself and each of the original underwriters for the Bonds (each a "Participating Underwriter"), for the purchase of the Bonds; and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the I-Bank, the Trustee and the Master Program Trustee, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and for the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner.

NOW, THEREFORE, for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the I-Bank, the Trustee and the Master Program Trustee, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:
ARTICLE 1

DEFINITIONS

Section 1.1. Terms Defined in Recitals. All terms defined in the preambles hereof shall have the respective meanings set forth therein for all purposes of this Agreement.

Section 1.2. Additional Definitions. The following additional terms shall have the meanings specified below:

"Annual Report" means Financial Statements and Operating Data provided at least annually with respect to the I-Bank.

"Auditor" means an independent certified public accountant, a registered municipal accountant or such other accountant as shall be permitted or required under State law in accordance with GAAS.

"Bondholder" or "Holder" or any similar term, when used with reference to the Bonds, means any person who shall be the registered owner of any outstanding Bonds, including holders of beneficial interests in the Bonds.

"Bond Disclosure Event" means any event described in Section 2.1(c) of this Agreement.

"Bond Disclosure Event Notice" means the notice to each National Repository or the MSRB and the State Depository, if any, as provided in Section 2.4(c) of this Agreement.

"Dissemination Agent" means an entity acting in its capacity as Dissemination Agent under this Agreement or any successor Dissemination Agent designated in writing by the I-Bank that has filed a written acceptance of such designation.

“EMMA” means Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

"Financial Statements" means the audited financial statements for each Fiscal Year, if and when available, relating to the Bonds and the Master Program Trust Account. Currently, no audited financial statements are completed with respect to the Bonds or the Master Program Trust Account.

"Fiscal Year" means the fiscal year of the I-Bank as determined by the I-Bank from time to time pursuant to State law. As of the date of this Agreement, the Fiscal Year of the I-Bank begins on July 1 of each calendar year and closes on June 30 of the immediately succeeding calendar year.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States of America, consistently applied, as modified by governmental accounting
standards and mandated State statutory principles applicable to the I-Bank as may be in effect from time to time.

"GAAS" means generally accepted auditing standards as in effect from time to time in the United States of America, consistently applied, as modified by governmental auditing standards and mandated State statutory principles applicable to the I-Bank as may be in effect from time to time.

"MSRB" means the Municipal Securities Rulemaking Board. The address of the MSRB as of the date of this Agreement is 1900 Duke Street, Suite 600, Alexandria, VA 22314.

"National Repository" means a "nationally recognized municipal securities information repository" within the meaning of Rule 15c2-12. As of the date of this Agreement, the National Repository designated by the SEC in accordance with Rule 15c2-12 is EMMA.

“Obligated Person” means, collectively, (i) the Program and (ii) all Borrowers (and, if applicable, related local government units) determined by the I-Bank to be material "obligated persons" in connection with the issuance of the Bonds, as the term "obligated person" is defined in Rule 15c2-12, which determination has been made pursuant to the Objective Criteria.

"Operating Data" means, generally, certain financial and statistical information of the I-Bank relating to the Bonds and the Master Program Trust Account, substantially in the form included as the “Master Program Trust Agreement Schedule” to the audited financial statements of the I-Bank, attached as Appendix A to the Final Official Statement.

“Prescribed Form” means such electronic format accompanied by such identifying information as shall be prescribed by the MSRB and which shall be in effect on the date of filing of such information.

"Repository" means each National Repository and each State Depository, if any.

"State Depository" means any public or private repository or entity designated by the State as a state information depository for purposes of Rule 15c2-12. As of the date of this Agreement, there is no State Depository.

Section 1.3. Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms as used in this Agreement refer to this Agreement as a whole unless otherwise expressly stated. The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.
ARTICLE 2

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1. Continuing Disclosure Covenants of I-Bank. The I-Bank agrees that it will provide or, if the I-Bank has appointed or engaged a Dissemination Agent, shall cause the Dissemination Agent to provide:

(a) Not later than two hundred twenty-five (225) days after the end of each Fiscal Year, commencing with the first Fiscal Year of the I-Bank ending after January 1, 2019 (which will end on June 30, 2019), an Annual Report to each Repository in Prescribed Form.

(b) Not later than fifteen (15) days prior to the date with respect to each Fiscal Year specified in Section 2.1(a) hereof, a copy of the Annual Report, complete to the extent required in Section 2.1(a) hereof, to the Trustee and the Dissemination Agent (if the I-Bank has appointed or engaged a Dissemination Agent).

(c) In a timely manner, not in excess of ten business days after the occurrence of the applicable event, to each National Repository or to the MSRB and the State Depository, if any, notice, in Prescribed Form, of any of the following events with respect to the Bonds (each a "Bond Disclosure Event"), with a copy of such notice to the Trustee (for informational purposes only):

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to the rights of Bondholders, if material;

(viii) Bond calls (other than regularly scheduled mandatory sinking fund redemptions for which notice of redemption has been given to the
Bondholders as required pursuant to the provisions of the Resolution), if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xiii) Bankruptcy, insolvency, receivership or similar event of any Obligated Person;

(xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor to the Trustee or the Master Program Trustee, appointment of an additional Trustee or Master Program Trustee, or the change of name of the Trustee or the Master Program Trustee, if material.

Section 2.2. Reserved.

Section 2.3. Form of Annual Report. (a) The Annual Report may be submitted by the I-Bank, or on behalf thereof, as a single document or as separate documents comprising a package, provided that each document shall be submitted in Prescribed Form.

(b) Any or all of the items that must be included in the Annual Report may be incorporated by reference from other documents, including official statements delivered in connection with other financings issued on behalf of the I-Bank that have been submitted to each of the Repositories or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB (including, without limitation, EMMA). The I-Bank shall clearly identify each such other document so incorporated by reference.

(c) The Annual Report for any Fiscal Year containing any modified operating data or financial information (as contemplated by Sections 4.9 and 4.10 hereof) for such Fiscal Year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such Fiscal Year.

Section 2.4. Responsibilities and Duties of I-Bank, Dissemination Agent and Trustee. (a) If fifteen (15) days prior to the date specified in Section 2.1(a) hereof the Trustee has not received a copy of the Annual Report, complete to the extent required in Section 2.1(a)
hereof, the Trustee shall contact the I-Bank to provide notice of the I-Bank's obligations pursuant to Sections 2.1(a), 2.1(b) and 2.4(d)(ii) hereof.

(b) If the Trustee, by the date specified in Section 2.1(a) hereof, has not received a written report from the I-Bank, as required by Section 2.4(d)(ii) hereof, indicating that an Annual Report, complete to the extent required in Section 2.1(a) hereof, has been provided to the Repositories by the date specified in Section 2.1(a) hereof, the Trustee shall send a notice to each National Repository or to the MSRB and the State Depository, if any, in substantially the form attached hereto as Exhibit B together with any standard forms or cover sheets that may be required by the MSRB as of the date thereof, with a copy thereof to the I-Bank.

(c) If the I-Bank has determined that the occurrence of a Bond Disclosure Event would be material, the I-Bank shall file promptly a notice of such occurrence with each National Repository or with the MSRB and the State Depository, if any (the "Bond Disclosure Event Notice"), in a form determined by the I-Bank together with any standard forms or cover sheets that may be required by the MSRB as of the date thereof; provided, that the Bond Disclosure Event Notice pertaining to the occurrence of a Bond Disclosure Event described in Section 2.1(c)(viii) (Bond calls) or 2.1(c)(ix) (defeasances) need not be given under this Section 2.4(c) any earlier than the time when the notice (if any) of such Bond Disclosure Event shall be given to Holders of affected Bonds as provided in Sections 4.05 and 12.01 of the Resolution, respectively. The obligations of the I-Bank to provide the notices required under this Agreement are in addition to, and not in substitution of, any of the obligations (if any) of the Trustee to provide notices of events of default to Bondholders under Article IX of the Resolution. The I-Bank shall file a copy of each Bond Disclosure Event Notice with the Trustee (for informational purposes only).

(d) The I-Bank shall or, if the I-Bank has appointed or engaged a Dissemination Agent, shall cause the Dissemination Agent to:

(i) determine each year, prior to the date for providing the Annual Report, the name and address of each National Repository and each State Depository, if any; and

(ii) by the date specified in Section 2.1(a) hereof, provide a written report to the Trustee (and, if a Dissemination Agent has been appointed, to the I-Bank), upon which said parties may rely, certifying that the Annual Report, complete to the extent required in Section 2.1(a) hereof, has been provided pursuant to this Agreement, stating the date it was provided and listing all of the Repositories to which it was provided.

Section 2.5. Appointment, Removal and Resignation of Dissemination Agent. (a) The I-Bank may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and shall provide notice of such appointment to the Trustee. Thereafter, the I-Bank may discharge any such Dissemination Agent and satisfy its obligations under this Agreement without the assistance of a Dissemination Agent, or the I-Bank may discharge a Dissemination Agent and appoint a successor Dissemination Agent, such discharge to be effective upon the date of the appointment of a successor Dissemination Agent. The I-Bank shall provide notice of the discharge of a Dissemination Agent to the Trustee, and
shall further indicate either the decision of the I-Bank to satisfy its obligations under this Agreement without the assistance of a Dissemination Agent or the identity of the new Dissemination Agent.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days' written notice to the I-Bank. Such resignation shall take effect on the date specified in such notice.

(d) The I-Bank, the Trustee and the Master Program Trustee acknowledge that the I-Bank has not, as of the date of this Agreement, appointed or engaged any party, including, without limitation, the Trustee or the Master Program Trustee, to serve as Dissemination Agent.

Section 2.6. Responsibilities and Duties of Master Program Trustee. The Master Program Trustee, for the purposes of satisfying the requirements of Rule 15c2-12, hereby consents to the use by the I-Bank and the Auditor, as the case may be, of the monthly summary report of all transactions implemented within the Master Program Trust Account (the submission of such monthly report being required pursuant to the terms and provisions of Section 3 of the Master Program Trust Agreement) (the "Summary Report") in the following manner: (i) the Summary Report may be provided by the I-Bank to the Auditor; and (ii) the I-Bank and the Auditor may rely upon the Summary Report in determining the balance in the Master Program Trust Account.

Section 2.7. Immunities and Liabilities of Trustee. Article X of the Resolution, as it relates to the immunities and liabilities of the Trustee, is hereby made applicable to the Trustee's responsibilities under this Agreement.
ARTICLE 3

REMEDIES

Section 3.1. Remedies. (a) The Trustee may, in reliance upon the advice of counsel (and at the request of the Holders of at least twenty-five percent (25%) in aggregate principal amount of the Bonds outstanding, after the provision of indemnity in accordance with Section 10.05 of the Resolution, shall), or any Bondholder may, for the equal benefit and protection of all Bondholders similarly situated, take whatever action at law or in equity against the I-Bank and any of its respective officers, agents and employees necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the I-Bank under this Agreement, and may compel the I-Bank or any of its respective officers, agents and employees (except for the Dissemination Agent with respect to the obligations, agreements and covenants of the I-Bank) to perform and carry out its duties under this Agreement; provided, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances; and provided, further, that any Bondholder, acting for the equal benefit and protection of all Bondholders similarly situated, may pursue specific performance only with respect to the failure to file the Annual Reports and Bond Disclosure Event Notices required by this Agreement, and may not pursue specific performance in challenging the adequacy of Annual Reports that have been filed pursuant to the provisions hereof.

(b) In case the Trustee or any Bondholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Bondholder, as the case may be, then and in every such case the I-Bank, the Trustee and any Bondholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the I-Bank, the Trustee and any Bondholder shall continue as though no such proceeding had been taken.

(c) A failure by the I-Bank to perform its respective obligations under this Agreement shall not be deemed an event of default under either the Resolution or any I-Bank Loan Agreement, as the case may be, and the sole remedy under this Agreement in the event of any failure by the I-Bank to comply with this Agreement shall be as set forth in Section 3.1(a) of this Agreement.
ARTICLE 4

MISCELLANEOUS

Section 4.1. Purposes of Agreement. This Agreement is being executed and delivered by the I-Bank, the Trustee and the Master Program Trustee for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2. I-Bank and Bondholders. Each Bondholder is hereby recognized as being a third-party beneficiary hereunder, and each may enforce, for the equal benefit and protection of all Bondholders similarly situated, any such right, remedy or claim conferred, given or granted hereunder in favor of the Trustee, to the extent permitted in Section 3.1(a) hereof.

Section 4.3. Obligations of I-Bank Hereunder; Indemnified Parties. The I-Bank agrees to indemnify and hold harmless the Trustee and the Master Program Trustee, and any member, officer, official, employee, counsel, consultant and agent of the Trustee and the Master Program Trustee (collectively, the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by the I-Bank's failure, or a Dissemination Agent's failure, to perform or observe any of the I-Bank's obligations, agreements or covenants under the terms of this Agreement, but only if and insofar as such losses, claims, damages, liabilities or expenses are caused directly or indirectly by any such failure of the I-Bank or the Dissemination Agent to perform. In case any action shall be brought against the Indemnified Parties based upon this Agreement and in respect of which indemnity may be sought against the I-Bank, the Indemnified Parties shall promptly notify the I-Bank in writing. Upon receipt of such notification, the I-Bank shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action and the right to negotiate and settle any such action on behalf of such party to the extent allowed by law. Any Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless the employment of such counsel has been specifically authorized by the I-Bank or unless by reason of conflict of interest (determined by the written opinion of counsel to any such party) it is advisable for such party to be represented by separate counsel to be retained by the I-Bank, in which case the fees and expenses of such separate counsel shall be borne by the I-Bank. The I-Bank shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the I-Bank or if there be a final judgment for the plaintiff in any such action with or without written consent, the I-Bank agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this Section 4.3 shall require or obligate the I-Bank to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any negligence, recklessness or intentional misconduct of the Indemnified Parties in connection with the I-Bank's performance of its obligations, agreements and covenants under this Agreement.
Section 4.4. Additional Information. Nothing in this Agreement shall be deemed to prevent the I-Bank (a) from disseminating any other information using the means of dissemination set forth in this Agreement or any other means of communication, or (b) from including, in addition to that which is required by this Agreement, any other information in any Annual Report or any Bond Disclosure Event Notice. If the I-Bank chooses to include any information in any Annual Report or any Bond Disclosure Event Notice in addition to that which is specifically required by this Agreement, the I-Bank shall not have any obligation under this Agreement to update such information or to include it in any future Annual Report or Bond Disclosure Event Notice, as the case may be.

Section 4.5. Notices. All notices required to be given or authorized to be given by each party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail (as well as by facsimile, in the case of the Trustee) addressed to, in the case of the I-Bank, 3131 Princeton Pike, Building 4 Suite 216, Lawrenceville, New Jersey 08648 (Attention: Executive Director); in the case of the Trustee, its Corporate Trust Department at 401 Liberty Avenue, Suite 1729, Pittsburgh, Pennsylvania 15222 (facsimile: (855) 850-0865); and in the case of the Master Program Trustee, its Corporate Trust Department at 100 Wall Street, Suite 1600, New York, New York 10005.

Section 4.6. Assignments. This Agreement may not be assigned by any party without the consent of the others and, as a condition to any such assignment, only upon the assumption in writing of all of the obligations imposed upon such party by this Agreement.

Section 4.7. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 4.8. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Each party hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

Section 4.9. Amendments, Changes and Modifications. (a) Except as otherwise provided in this Agreement, subsequent to the initial issuance of the Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Resolution), this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the parties hereto.

(b) Without the consent of any Bondholders, the I-Bank, the Trustee and the Master Program Trustee at any time and from time to time may enter into any amendments or modifications to this Agreement for any of the following purposes:

(i) to add to the covenants and agreements of the I-Bank hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the I-Bank by this Agreement;
(ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices or legal requirements followed by or applicable to the I-Bank or the Program, to reflect changes in the identity, nature or status of the I-Bank or the Program or in the business, structure or operations of the I-Bank or the Program, or to reflect any mergers, consolidations, acquisitions or dispositions made by or affecting the I-Bank or the Program; provided, that any such modification shall not be in contravention of Rule 15c2-12 as then in effect at the time of such modification; or

(iii) to cure any ambiguity herein, to correct or supplement any provision hereof that may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Agreement, any of which, in each case, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12 as well as any changes in circumstances;

provided, that prior to approving any such amendment or modification, the Trustee, in reliance upon an opinion of Bond Counsel (as defined in the Resolution) to the I-Bank, determines that such amendment or modification does not adversely affect the interests of the Bondholders in any material respect.

(c) Upon entering into any amendment or modification required or permitted by this Agreement that materially affects the interests of the Bondholders, the I-Bank shall deliver to each of the Repositories written notice of any such amendment or modification.

(d) The I-Bank, the Trustee and the Master Program Trustee shall be entitled to rely exclusively upon an opinion of Bond Counsel to the I-Bank to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.9.

Section 4.10. Amendments Required by Rule 15c2-12. The I-Bank, the Trustee and the Master Program Trustee each recognize that the provisions of this Agreement are intended to enable compliance with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof or the promulgation of a successor rule, statute or regulation thereto, a change in this Agreement shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery of an opinion of Bond Counsel to the I-Bank addressed to the I-Bank, the Trustee and the Master Program Trustee to the effect that such amendments shall be permitted or necessary to assure continued compliance with Rule 15c2-12 as so amended or interpreted, then the I-Bank, the Trustee and the Master Program Trustee shall amend this Agreement to comply with and be bound by any such amendment to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and shall provide written notice of such amendment as required by Section 4.9(c) hereof.

Section 4.11. Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State and the laws of the United States of America, as applicable.
Section 4.12. Commencement and Termination of Continuing Disclosure Obligations. The obligations of the I-Bank and the Trustee hereunder and the consent of the Master Program Trustee set forth in Section 2.6 hereof shall be in full force and effect from the date of issuance of the Bonds, and shall continue in effect until the date either (i) the Bonds are no longer outstanding in accordance with the terms of the Resolution or (ii) the Program no longer remains a material "obligated person" (as the term "obligated person" is defined in Rule 15c2-12) as a result of an interpretation of Rule 15c2-12, and in either event only after the I-Bank delivers written notice to such effect to each National Repository or to the MSRB and the State Depository, if any.

Section 4.13. Prior Undertakings. Other than as disclosed in the Official Statement, the I-Bank has not failed to comply in any material respect with any prior continuing disclosure undertaking made by the I-Bank in accordance with Rule 15c2-12.

Section 4.14. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the I-Bank, the Trustee and the Master Program Trustee and their respective successors and assigns.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, NEW JERSEY INFRASTRUCTURE BANK, ZB, NATIONAL ASSOCIATION d/b/a ZIONS BANK and U.S. BANK TRUST NATIONAL ASSOCIATION, a national banking association, have caused this Agreement to be executed in their respective names, all as of the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

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

ZB, NATIONAL ASSOCIATION d/b/a ZIONS BANK, as Trustee

By: __________________________
    Eric Mitzel
    Vice President

U.S. BANK TRUST
NATIONAL ASSOCIATION,
a national banking association,
as Master Program Trustee

By: __________________________
    Name:
    Title:
EXHIBIT A

OBJECTIVE CRITERIA AS SET FORTH IN THE FINAL OFFICIAL STATEMENT

SECONDARY MARKET DISCLOSURE

In connection with the provisions of Rule 15c2-12, as amended, supplemented and officially interpreted from time to time, or any successor provision thereto, promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the I-Bank has determined that, with regard to the Bonds, it is not an “obligated person”, as defined therein.

Furthermore, the I-Bank has determined in the Resolution that those Borrowers (from any Financing Program) whose remaining Fund Loan repayments in all Coverage Providing Financing Programs, when aggregated with their I-Bank Loan repayments, if any, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs and (ii) the aggregate of all remaining I-Bank Loan repayments from all Borrowers, shall be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 for the Bonds. To the extent any such Borrowers have entered into Borrower Service Agreements with Participants and any such Participants have entered into Indirect Borrower Service Agreements with Indirect Participants whereby Annual Charges or Indirect Annual Charges, as the case may be, materially secure such Loan repayments of any such Borrower, any such Participants and Indirect Participants also shall be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 for the Bonds.

Each Borrower has covenanted in its I-Bank Loan Agreement, for the benefit of the respective Bondholders, to enter into a Borrower Continuing Disclosure Agreement (the “Borrower Continuing Disclosure Agreement”) should it meet, at any time during the term of its respective I-Bank Loan, the material “obligated persons” test referred to above. Such Borrower Continuing Disclosure Agreement obligates any such Borrower to provide (i) certain financial information and operating data relating to such Borrower and the Participants and Indirect Participants, if any, of such Borrower, including, without limitation, audited financial statements, within 225 days after the end of each fiscal year for which any such Borrower Continuing Disclosure Agreement is in effect (the “Annual Report”), and (ii) notice to the I-Bank of the occurrence of certain enumerated events, if material. The specific nature of the information to be contained in the Annual Report and the notices of material events is summarized in Appendix F to the Final Official Statement – “SUMMARY OF THE SERIES 2018 I-BANK LOAN AGREEMENTS (INCLUDING THE CONTINUING DISCLOSURE AGREEMENTS FOR THE SERIES 2018 BORROWERS), THE SERIES 2018 FUND LOAN AGREEMENTS AND THE OTHER COVERAGE PROVIDING FUND LOAN AGREEMENTS.”

The Borrower Continuing Disclosure Agreement further requires that the Annual Report shall be delivered by or on behalf of such Borrower to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC (each a “NRMSIR”) and to the State Information Depository recognized by the SEC (the “SID”), if any. Notices of material events
relating to the I-Bank Loan Bonds of such Borrower will be filed by such Borrower with the I-Bank, and the notices of material events relating to the Series 2018A-2 Bonds will be filed directly by the I-Bank with each NRMSIR or with the Municipal Securities Rulemaking Board (the “MSRB”) and the SID, if any. As of the date of this Official Statement, the filing of any information with the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB shall satisfy the requirement to file such information with each NRMSIR. The obligations under the Borrower Continuing Disclosure Agreement shall continue through final maturity (stated or otherwise) of the Bonds, but shall terminate when any such material “obligated persons” shall no longer meet the material “obligated persons” test with respect to the Bonds. The I-Bank shall have no liability to the Bondholders or to any other person with respect to the secondary market disclosure of any such material “obligated persons.” See Appendix F to the Final Official Statement – “SUMMARY OF THE SERIES 2018 I-BANK LOAN AGREEMENTS (INCLUDING THE CONTINUING DISCLOSURE AGREEMENTS FOR THE SERIES 2018 BORROWERS), THE SERIES 2018 FUND LOAN AGREEMENTS AND THE OTHER COVERAGE PROVIDING FUND LOAN AGREEMENTS”.

In light of the additional security provided for each series of the Bonds as a Coverage Receiving Financing Program (along with the current and all future Coverage Receiving Financing Programs) through certain Fund Loan repayments in Coverage Providing Financing Programs, the I-Bank has determined that only the Borrowers, Participants and Indirect Participants identified in the immediately succeeding paragraph (if any) will be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 for the Bonds. With respect to all other Borrowers, Participants and Indirect Participants, the I-Bank has determined that no financial or operating data is material to any decision to purchase, hold or sell the Bonds, and the I-Bank will not itself provide or cause any such Borrowers, Participants and Indirect Participants to provide any such information with respect to any such Borrowers, Participants and Indirect Participants.

As of the date of issuance of the Bonds, there are no Borrowers that meet this material “obligated persons” test for the Bonds. In addition, as of such issuance, no Participants or Indirect Participants meet this test with respect to the Bonds.

Based upon official interpretations of Rule 15c2-12, the I-Bank has determined that, in connection with the Bonds, the Series 2018 Financing Program relating to the Bonds is an “obligated person”, as defined in Rule 15c2-12. In addition, on the date of delivery of the Bonds, the I-Bank will enter into a I-Bank Continuing Disclosure Agreement (the “I-Bank Continuing Disclosure Agreement”; the Borrower Continuing Disclosure Agreement and the I-Bank Continuing Disclosure Agreement shall be referred to collectively herein as the “Continuing Disclosure Agreements”), for the benefit of the beneficial owners of the Bonds, pursuant to which the I-Bank will agree to comply on a continual basis with the disclosure requirements of Rule 15c2-12 relating to the Bonds. Specifically, the I-Bank will covenant to provide certain financial information relating to the Series 2018 Financing Program relating to the Bonds, which financial information will be similar to that provided herein in Note 8 to Appendix A to the Final Official Statement, relating to each existing and future Coverage Providing Financing Program (the “Financing Program Annual Report”) to each NRMSIR and the SID, if any. In addition, the I-Bank will covenant to provide notices of the occurrence of certain enumerated events, if material, relating to the Bonds to each NRMSIR or to the MSRB
and the SID, if any. As of the date of this Official Statement, the filing of any information with
the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB
shall satisfy the requirement to file such information with each NRMSIR. The specific nature of
the information to be contained in the Annual Report and the notices of material events is
summarized in Appendix E to the Final Official Statement – “SUMMARY OF THE SERIES
2018 BOND RESOLUTIONS, THE MASTER PROGRAM TRUST AGREEMENT AND THE
I-BANK CONTINUING DISCLOSURE AGREEMENT.”

The sole and exclusive remedy for breach of or default under the Continuing Disclosure
Agreements to provide continuing disclosure as described above is an action to compel specific
performance of the Continuing Disclosure Agreements by the parties thereto, and no person,
including any holder of the Bonds, may recover monetary damages thereunder under any
circumstances. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any
reason, then the information required to be provided under the Continuing Disclosure
Agreements, insofar as the provision of Rule 15c2-12 no longer in effect required the providing
of such information, shall no longer be required to be provided. The Continuing Disclosure
Agreements also may be amended or modified without the consent of the holders of the Bonds
under certain circumstances set forth therein. Copies of the Continuing Disclosure Agreements
when executed by the parties thereto upon the delivery of the Bonds will be on file at the office
of the Trustee.
EXHIBIT B

FORM OF NOTICE TO REPOSITORIES OF
FAILURE TO FILE ANNUAL REPORT

Name Reporting Party: New Jersey Infrastructure Bank

Name of Bond Issue: New Jersey Infrastructure Bank "Environmental Infrastructure Bonds, Series 2018A-2" dated November 29, 2018

Date of Issuance: November 29, 2018

CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the New Jersey Infrastructure Bank (the "I-Bank") has not provided an Annual Report with respect to the above-named Bonds as required by the "I-Bank Continuing Disclosure Agreement" dated as of November 1, 2018 by and among the I-Bank, ZB, National Association d/b/a Zions Bank, as Trustee, and U.S. Bank Trust National Association, a national banking association, as Master Program Trustee. [The I-Bank has advised the Trustee that it anticipates that the Annual Report will be filed by ___________.]

____________________,
as Trustee

By: _________________________
Name:
Title:

Dated: _________________