

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF LOAN AGREEMENTS
TO BE EXECUTED BY THE NORTH HUDSON SEWERAGE AUTHORITY AND EACH OF
THE NEW JERSEY INFRASTRUCTURE BANK AND THE STATE OF NEW JERSEY, ACTING
BY AND THROUGH THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL
PROTECTION, AND FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF AN
ESCROW AGREEMENT, ALL PURSUANT TO THE STATE FISCAL YEAR 2023 NEW JERSEY
WATER BANK ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM RELATING
TO THE FY 2019/2020 WWTP CAPITAL IMPROVEMENTS PROJECT**

MOTIONED BY: Velazquez

SECONDED BY: Friedrich

WHEREAS, The North Hudson Sewerage Authority (the “Authority”) is a public body, duly formed under the Sewerage Authorities Law, constituting Chapter 138 of the Laws of New Jersey of 1946, as amended (Chapter 14A of Title 40 of the New Jersey Statutes Annotated) and possesses the powers set forth therein;

WHEREAS, the Authority, has determined that there exists a need within the service area of the Authority to finance the acquisition, construction, renovation or installation of the FY 2019/2020 WWTP Capital Improvements Project (S340952-36) (the “Project”) as defined in each of (i) that certain Loan Agreement (the “I-Bank Loan Agreement”) to be entered into by and between the Authority and the New Jersey Infrastructure Bank (the “I-Bank”) and (ii) that certain Loan Agreement (the “Fund Loan Agreement”, and together with the I-Bank Loan Agreement, the “Loan Agreements”) to be entered into by and between the Authority and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the “State”), all pursuant to the State Fiscal Year 2023 New Jersey Water Bank Environmental Infrastructure Financing Program (the “Program”);

WHEREAS, the Authority has determined to finance the acquisition, construction, renovation or installation of the Project with the proceeds of a loan to be made by each of the I-Bank (the “I-Bank Loan”) and the State (the “Fund Loan”, and together with the I-Bank Loan, the “Loans”) pursuant to the I-Bank Loan Agreement and the Fund Loan Agreement, respectively;

WHEREAS, to evidence and secure the Loans, each of the I-Bank and the State require the Authority to authorize, execute, attest, and deliver the Authority's I-Bank Bond, to the I-Bank (the “I-Bank Loan Bond”) and the Authority's Fund Bond, to the State (the “Fund Loan Bond”, and together with the I-Bank Loan Bond, the “Authority Bonds”), in an aggregate principal amount not to exceed \$750,000, pursuant to the terms of applicable law and the Loan Agreements; and

WHEREAS, the I-Bank and the State have expressed their intent to close in escrow the making of the Loans, the issuance of the Authority Bonds and the execution and delivery of the Loan Agreements, all pursuant to the terms of an Escrow Agreement (the “Escrow Agreement”) to be entered into by and among the I-Bank, the State, the Authority, the escrow agent named therein and the trustee for the holders of the Authority Bonds named therein.

NOW THEREFORE, BE IT RESOLVED BY THE AUTHORITY AS FOLLOWS:

Section 1. The I-Bank Loan Agreement, the Fund Loan Agreement and the Escrow Agreement (collectively, the “Financing Documents”) are hereby authorized to be executed and delivered on behalf of the Authority by either the Chairman or the Vice Chairman in substantially the forms set forth in Appendices A, B and C hereto, respectively, with such changes as the Chairman or the Vice Chairman (each an “Authorized Officer”), in their respective sole discretion, after consultation with counsel and any advisors

to the Authority (collectively, the “Authority Consultants”) and after further consultation with the I-Bank, the State and their representatives, agents, counsel and advisors (collectively, the “Program Consultants”, and together with the Authority Consultants, the “Consultants”), shall determine, such determination to be conclusively evidenced by the execution of such Financing Documents by an Authorized Officer as determined hereunder. The Secretary of the Authority is hereby authorized to attest to the execution of the Financing Documents by an Authorized Officer of the Authority as determined hereunder and to affix the corporate seal of the Authority to such Financing Documents.

Section 2. The Authorized Officers of the Authority are hereby further severally authorized to (i) execute and deliver, and the Secretary of the Authority is hereby further authorized to attest to such execution and to affix the corporate seal of the Authority to, any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Officers or the Secretary of the Authority, as applicable, in their respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution and delivery of the Financing Documents and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof.

Section 3. This resolution shall take effect immediately.

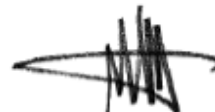
Section 4. Upon the adoption hereof, the Secretary of the Authority shall forward certified copies of this resolution to Jason P. Capizzi, Esq., JP Capizzi LLC, bond counsel to the Authority, and Richard T. Nolan, Esq., McCarter & English, LLP, bond counsel to the I-Bank.

DATED: SEPTEMBER 15, 2022

RECORD OF COMMISSIONERS’ VOTE

	YES	NO	ABSENT
Commissioner Kappock	x		
Commissioner Marotta			x
Commissioner Gardiner			x
Commissioner Friedrich	x		
Commissioner Guzman	x		
Commissioner Velazquez	x		
Commissioner Barrera	x		
Commissioner Zucconi	x		
Commissioner Assadourian	x		

THIS IS TO CERTIFY THAT THIS RESOLUTION WAS DULY ADOPTED BY THE NORTH HUDSON BOARD OF COMMISSIONERS ON SEPTEMBER 15, 2022.



SECRETARY

Appendix A

LOAN AGREEMENT
BY AND BETWEEN
NEW JERSEY INFRASTRUCTURE BANK
AND
[NAME OF BORROWER]

DATED AS OF DECEMBER 1, 2022

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.
Chairperson

ATTEST:

David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]

By: _____
Authorized Officer
Title

ATTEST:

Authorized Officer
Title

SCHEDULE A

Certain Additional Loan Agreement Provisions

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

Additional Definitions:

["**Authority Underlying Government Unit**"] means any Underlying Government Unit that is an authority.]

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

"**Bond Indenture**" means the Indenture of Trust, dated as of December 22, 2022, by and between the I-Bank and the Trustee (as defined in the Loan Agreement), with respect to the I-Bank's Environmental Infrastructure Bonds, Series 2022A-2 (Green Bonds).

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

"**Borrower Bond Resolution**" means the resolution of the Borrower entitled "[_____]", adopted on [_____], as amended and supplemented from time to time, [in particular by a supplemental resolution detailing the terms of the Borrower Bond adopted on [_____] and entitled "[_____]",] pursuant to which the Borrower Bond has been issued.

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

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

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

["**Indirect Underlying Government Unit**" means the [_____ of _____, in the County of _____], New Jersey, that has entered into a service agreement with [one of] the Authority Underlying Government Unit[s].]

"**Interest Payment Dates**" means February 1 and August 1 of each year, commencing on _____ 1, 20__.

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

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

"**Principal Payment Dates**" means August 1 of each year, commencing on August 1, 20__.

"**Project Completion Date**" means [May 15, 2023, notwithstanding any provisions of Exhibit C to this Loan Agreement to the contrary]. [or in the case of a "split project": include the "Completion of Construction" date from Exhibit C of the NJDEP Exhibits, and add ", such date being identified as the "Completion of Construction" date as set forth in Exhibit C to this Loan Agreement, subject to the extension thereof by an Authorized Officer of the I-Bank, at the sole and absolute discretion thereof, as evidenced by a certificate of such Authorized Officer of the I-Bank that shall be provided to the Borrower."]

"**Project Loan Account Disbursement Deadline**" means June 15, 2023.

"**Revenues**" means "[_____] Revenues" as defined in the Borrower Bond Resolution.

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

"**Senior Lien Bond Resolution**" means the bond resolution of the Borrower authorizing the issuance of existing or future bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment

thereof from, the Revenues.]

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

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

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

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

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

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

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

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

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

SECTION 2.01(a)(vi):

[SERVICE AGREEMENT]

This Loan Agreement, the Service Agreement and the Borrower Bond have each been duly authorized by the Borrower and duly executed, attested and delivered by Authorized Officers of the Borrower, and the Borrower Bond has been duly sold by the Borrower to the I-Bank, duly authenticated by the trustee or paying agent under the Borrower Bond Resolution and duly issued by the Borrower in accordance with the terms of the Borrower Bond Resolution; and assuming

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

OR

[NO SERVICE AGREEMENT]

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

SECTION 2.02(a)(ii):

[SERVICE AGREEMENT]

The Borrower acknowledges that to assure the continued operation and solvency of the I-Bank and to further secure the I-Bank Bonds, the I-Bank may, pursuant to and in accordance with Section 12a of the Act, require that if the Borrower fails or is unable to pay promptly to the I-Bank 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 Underlying Government Unit [(other than an Authority Underlying Government Unit)].

OR

[NO SERVICE AGREEMENT]

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

SECTION 2.02(c):

[JUNIOR LIEN BONDS ONLY]

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

OR

Section 2.02(c) shall not include any additional provisions.

SECTION 2.02(f)(xi):

[NO RESERVE OR REPLACEMENT FUND]

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

OR

[RESERVE OR REPLACEMENT FUND]

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

SECTION 2.02(l)(vi):

[SERVICE AGREEMENT]

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

OR

[NO SERVICE AGREEMENT]

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

SECTION 3.03(g):

[SERVICE AGREEMENT]

(i) In the event that the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan Repayment or any other payment required under this Loan Agreement when due, the Borrower shall take all measures permitted by its Service Agreement with the Underlying Government Unit to enforce prompt payment by the Underlying Government Unit of its

obligations in accordance with the terms of the Service Agreement in order to satisfy such deficiency. The amount so paid to the Trustee shall be deemed to be a credit against the obligations of the Borrower under this Section 3.03, and any such payment made to the Trustee shall fulfill the Borrower's obligation to pay such amount under this Loan Agreement and the Borrower Bond. Each such payment so made to the Trustee shall be applied first to the Interest Portion then due and payable, second, to the extent available, to the principal of the Loan then due and payable, third, to the extent available, to the Administrative Fee, fourth, to the extent available, to the payment of any late charges incurred hereunder, and finally, to the extent available, to any other payment required under this Loan Agreement.

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

OR

[NO SERVICE AGREEMENT]

Section 3.03(g) is not applicable to this Loan Agreement.

EXHIBIT F

Additional Covenants and Requirements

[None.]

[Insert current refunding covenants, if any]:

Construction Loan:

(a) A portion of the proceeds of the Loan received by the Borrower in the amount of (i) \$ _____ will be used to pay a portion of the outstanding principal amount of a short-term loan made by the I-Bank to the Borrower on [short-term loan closing date], in the original aggregate principal amount of \$ _____ (the “Construction Loan”), which Construction Loan currently is outstanding in the aggregate principal amount of \$ _____, and (ii) will be used to pay interest in the amount of \$ _____ that has accrued on construction period financing pursuant to the Construction Loan, as such interest is calculated pursuant to the terms of the Construction Loan note issued by the Borrower to the I-Bank.

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

[For “split projects”]:

Construction Financing Program Loan:

[For Borrowers Without a Service Agreement Only]:

Covenant Regarding Borrowers Without a Service Agreement:

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

[For Borrowers Issuing Junior Lien Bonds Only]:

Event of Default Pursuant to Borrower Bond Resolution:

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

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

No FEMA Reimbursement:

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

[For Private Use Borrowers Only]:

Qualified Private Activity Bonds:

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

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

EXHIBIT F-2

Service Agreement

[None.]

Appendix B

LOAN AGREEMENT
BY AND BETWEEN
THE STATE OF NEW JERSEY,
ACTING BY AND THROUGH THE NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION,
AND
[NAME OF BORROWER]

DATED AS OF DECEMBER 1, 2022

IN WITNESS WHEREOF, the State and the Borrower have caused this Loan Agreement to be executed, sealed and delivered as of the date first above written.

**THE STATE OF NEW JERSEY
ACTING BY AND THROUGH THE
NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION**

[SEAL]

By: _____
Patricia Gardner
Assistant Commissioner
Water Resource Management
Department of Environmental Protection

ATTEST:

Paul T. Hauch, P.E.
Bureau Chief
Bureau of Construction, Payments
and Administration
Municipal Finance and Construction Element
Department of Environmental Protection

[NAME OF BORROWER]

[SEAL]

By: _____
Authorized Officer
Title

ATTEST:

Authorized Officer
Title

SCHEDULE A

Certain Additional Loan Agreement Provisions

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

Additional Definitions:

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

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

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

"Borrower Bond Resolution" means the resolution of the Borrower entitled "[_____]", adopted on [_____], as amended and supplemented from time to time, [in particular by a supplemental resolution detailing the terms of the Borrower Bond adopted on [_____] and entitled "[_____]"], pursuant to which the Borrower Bond has been issued.

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

["CWSRF Loan"] means that portion of the Loan made by the State from the loan program established pursuant to the Water Quality Act of 1987 to assist sponsors of wastewater treatment and stormwater management facilities to finance the cost of infrastructure improvement.]

["DWSRF Loan"] means that portion of the Loan made by the State from the loan program established to assist publicly owned and privately owned community drinking water systems and nonprofit noncommunity drinking water systems to finance the costs of infrastructure needed to achieve or maintain compliance with the Safe Drinking Water Act and to promote the public health objectives of said Act.]

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

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

[“Indirect Underlying Government Unit” means the [_____ of _____, in the County of _____] , New Jersey, that has entered into a service agreement with [one of] the Authority Underlying Government Unit[s].]

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

“Project Completion Date” shall have the meaning ascribed to such term in the I-Bank Loan Agreement.

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

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

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

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

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

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

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

“State Fund Disbursement Deadline” means June 15, 2023.

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

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

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

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

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

SECTION 2.01(a)(vi):

[SERVICE AGREEMENT]

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

OR

[NO SERVICE AGREEMENT]

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

SECTION 2.02(c):

[JUNIOR LIEN BONDS ONLY]

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

OR

Section 2.02(c) shall not include any additional provisions.

SECTION 2.02(l)(v):

[SERVICE AGREEMENT]

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

OR

[NO SERVICE AGREEMENT]

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

SECTION 3.03(d):

[SERVICE AGREEMENT]

In the event that the Borrower fails or is unable to pay promptly to the State in full any Loan Repayment when due, the Borrower shall take all measures permitted by its Service Agreement with the Underlying Government Unit to enforce prompt payment by the Underlying Government Unit of its obligations in accordance with the terms of the Service Agreement in order to satisfy such deficiency. The amount so paid to the Trustee shall be deemed to be a credit against the obligations of the Borrower under this Section 3.03, and any such payment made to the Trustee shall fulfill the Borrower's obligation to pay such amount under this Loan Agreement and the Borrower Bond. Each such payment so made to the Trustee shall be applied to the principal of the Loan.

OR

[NO SERVICE AGREEMENT]

Section 3.03(d) is not applicable to this Loan Agreement.

EXHIBIT F

Additional Covenants and Requirements

[None.]

[Insert current refunding covenants, if any]:

Construction Loan:

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

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

[For “split projects”]:

Construction Financing Program Loan:

[For Borrowers Without a Service Agreement Only]:

Covenant Regarding Borrowers Without a Service Agreement:

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

[For Borrowers Issuing Junior Lien Bonds Only]:

Event of Default Pursuant to Borrower Bond Resolution:

The Borrower shall provide written Notice to the State within thirty (30) days following the occurrence of either an “Event of Default” pursuant to and as defined in the Borrower Bond Resolution, or any event that with the passage of time and/or the giving of notice shall constitute an “Event of Default” pursuant to and as defined in the Borrower Bond Resolution.

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

No FEMA Reimbursement:

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

EXHIBIT F-2

Service Agreement

See Exhibit F-2 to I-Bank Loan Agreement

Appendix C

ESCROW AGREEMENT

by and among

NEW JERSEY INFRASTRUCTURE BANK,

**THE STATE OF NEW JERSEY,
acting by and through the New Jersey Department of Environmental Protection,**

[BORROWER],

**[BORROWER'S TRUSTEE],
as Borrower's Trustee**

and

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION d/b/a ZIONS BANK,
as Escrow Agent**

DATED: [INSERT DATE OF ESCROW CLOSING]

IN WITNESS WHEREOF, each of the parties hereto by its duly authorized representative has executed, sealed if applicable, and delivered this Escrow Agreement on the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

By: _____
Robert A. Briant, Jr.
Chairperson

ATTEST:

David E. Zimmer
Assistant Secretary

**THE STATE OF NEW JERSEY
ACTING BY AND THROUGH THE
NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION**

[SEAL]

By: _____
Patricia Gardner
Assistant Commissioner
Water Resource Management
Department of Environmental Protection

ATTEST:

Paul T. Hauch, P.E.
Bureau Chief
Bureau of Construction, Payments
and Administration
Municipal Finance and Construction Element
Department of Environmental Protection

[SEAL]

[BORROWER]

ATTEST:

By: _____
Authorized Officer
Title

Authorized Officer
Title

[SEAL]

[BORROWER'S TRUSTEE],
as Borrower's Trustee

ATTEST:

By: _____
Name
Title

Name
Title

[SEAL]

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION d/b/a ZIONS BANK,**
as Escrow Agent

ATTEST:

By: _____
Name
Title

Name
Title

SCHEDULE A

Certain Additional Escrow Agreement Provisions

Definitions: In addition to those capitalized terms defined elsewhere in this Escrow Agreement, the following capitalized terms as used in this Escrow Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Borrower” means _____, a public body corporate and politic with corporate succession, duly created and validly existing pursuant to the laws of the State of New Jersey, including without limitation, the Borrower Enabling Act, and its successors and assigns.

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

“Borrower’s Trustee” means _____, a [banking institution] [national banking association] duly organized and validly existing pursuant to the laws of the [State of New Jersey] [United States of America]. [There is no Borrower Trustee under the Borrower Bond Resolution, therefore, all references to Borrower Trustee herein shall be null and void.]

“Escrow Closing Date” means _____, 2022.

“Fund Loan Amount” means \$ _____.

“I-Bank Loan Amount” means (i) an amount sufficient to pay Costs of the Project of (A) \$ _____, and (B) a portion of the NJDEP Fee in the amount of \$ _____, plus (ii) an amount equal to the Borrower’s allocable share of underwriter’s discount on and certain costs of issuance of the I-Bank Bonds, plus (iii) if the I-Bank Bonds are sold with a net original issue discount, an amount equal to the Borrower’s allocable share of such net original issue discount, minus (iv) if the I-Bank Bonds are sold with a net original issue premium, an amount equal to the Borrower’s allocable share of such original issue premium[, plus (v) an amount sufficient to capitalize that portion of interest on the I-Bank Loan that is set forth in Exhibit A-2 to the I-Bank Loan Agreement through and including [DATE] [, plus [(v) (vi)] an amount sufficient to pay the interest that accrued on the short-term loan by the I-Bank to the Borrower]].

“NJDEP Fee” means the loan surcharge or loan origination fee imposed by the State as a portion of the Cost of the Project of the Borrower that has been incurred for engineering and environmental services provided by the State for the Borrower in connection with, and as a condition precedent to, the inclusion of the Project of the Borrower in the State Fiscal Year 2023 New Jersey Water Bank. [*Add for Nano: The NJDEP Fee for this Project is \$0.*]

Additional Provisions:

Section 3(c)(vi). [A certified copy of the executed Service Agreement.] [Reserved.]

Section 17.

(d) Borrower:

[Borrower]
[Address]
[]
Attention: [_____]

(e) Borrower's Trustee:

[Borrower's Trustee]
[Address]
[]
Attention: [_____]