

RESOLUTION NO. 24 - 47

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING DIRECT LOANS TO BERGEN COUNTY UTILITIES AUTHORITY, HOBOKEN CITY, JERSEY CITY, MARLBORO TOWNSHIP, ROCHELLE PARK TOWNSHIP, AND STAFFORD TOWNSHIP PARTICIPATING IN THE STATE FISCAL YEAR 2025 CHAMP PROGRAM

WHEREAS, pursuant to Section 5a(c) of the New Jersey Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the "State"), as amended and supplemented (N.J.S.A. 58:11B-1 *et seq.*) (the "Act"), the New Jersey Infrastructure Bank, a public body corporate and politic under the laws of the State, created pursuant to the Act (the "I-Bank"), is authorized to make and contract to make loans (each, an "I-Bank Loan") to project sponsors (each, a "Project Sponsor") to finance the cost of "hazard mitigation and resilience projects", (each, a "Project") pursuant to the Community Hazard Assistance Mitigation Program ("CHAMP"), which Project Sponsors may lawfully undertake or acquire and for which they are authorized by law to borrow funds, subject to such terms and conditions as the I-Bank shall determine to be consistent with the Act, the Safeguarding Tomorrow through Ongoing Risk Mitigation Act, Pub. L. 116-284 ("STORM Act") and the purposes of the I-Bank; and

WHEREAS, on April 10, 2024, the Board of Directors of the I-Bank (the "Board") adopted Resolution No. 24-19, entitled, "Resolution Approving the New Jersey Infrastructure Bank SFY2025 Program Financial Plan," containing the financial plan designed to implement the financing of hazard mitigation and resilience projects pursuant to N.J.S.A. 58:11B-22.5 (the "CHAMP SFY2025 Financial Plan") and submitted such plan to the New Jersey State Legislature on or about May 1, 2024; and

WHEREAS, the CHAMP SFY2025 Financial Plan sets forth the parameters for financing CHAMP projects in SFY2025; and

WHEREAS, on September 12, 2024, the Board of Directors of the I-Bank (the "Board") adopted Resolution 24-xx entitled "Resolution of the New Jersey Infrastructure Bank Relating to the CHAMP Direct Loan Program" (the "CHAMP Direct Loan Policy Resolution"), to provide CHAMP direct loans, which CHAMP Direct Loan Policy Resolution provides that the Board may, by official action thereof, determine that a Project be financed as a so-called direct loan (each, a "CHAMP Direct Loan") as part of the direct loan initiative of the I-Bank (the "CHAMP Direct Loan Program"); and

WHEREAS, the CHAMP Direct Loan Policy Resolution establishes the rate of interest to be paid by the Project Sponsor to the I-Bank with respect to the repayment of the CHAMP Direct Loan; and

WHEREAS, the CHAMP Direct Loan Policy Resolution requires the granting of any CHAMP Direct Loan by the I-Bank pursuant to the CHAMP Direct Loan Program and the CHAMP Direct Loan Program Policy to be subject to separate official action of the Board; and

WHEREAS, once the Board, by official action thereof, has determined that a Project qualifies for funding through the CHAMP Direct Loan Program, such Project is financed with the proceeds of a CHAMP Direct Loan from the I-Bank; and

WHEREAS, Bergen County Utilities Authority, Hoboken City, Jersey City, Marlboro Township, Rochelle Park Township, and Stafford Township, the Project Sponsors set forth in Schedule I attached hereto (hereafter, each referred to as a "CHAMP Loan Applicant, and collectively, the "CHAMP Loan Applicants"), have sought financial assistance from the I-Bank in connection with the Projects that bear the corresponding numeric designation set forth in Schedule I; and

WHEREAS, it is in the administrative interest of the I-Bank to provide to each CHAMP Loan Applicant a CHAMP Direct Loan; and

WHEREAS, CHAMP Direct Loans shall be extended by the I-Bank to each CHAMP Loan Applicant, and each CHAMP Loan Applicant shall repay its CHAMP Direct Loan to the I-Bank, pursuant to the terms and provisions of a loan agreement (the "CHAMP Direct Loan Agreement"), by and between the I-Bank and each CHAMP Loan Applicant; and

WHEREAS, it is the desire of the I-Bank, subject to the terms and provisions of the Act, the CHAMP SFY2025 Financial Plan, the CHAMP Direct Loan Policy Resolution, and this Resolution to authorize CHAMP Direct Loans to each of Bergen County Utilities Authority for Project No. RB0200-UA-001, Hoboken City for Project No. RB0905-001, Jersey City

for Project No. RB0906-001, Marlboro Township for Project No. RB1330-001, Rochelle Park Township for Project No. RB0254-001, and Stafford Township for Project No. RB1531-001 in the respective not-to-exceed amounts set forth in Schedule I in the column titled “SFY2025 Direct Loan Maximum Amounts” for the purpose of financing a portion of the costs of the CHAMP Loan Applicants’ Projects (as identified in Schedule I), pursuant to the respective terms and provisions of each CHAMP Direct Loan Agreement.

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

Section 1. The recitals of this Resolution are incorporated herein by reference as if set forth at length herein.

Section 2. The Board hereby approves the making of CHAMP Direct Loans to each CHAMP Loan Applicant (as identified in Schedule I attached hereto and made a part hereof), as part of the CHAMP Direct Loan Program of the I-Bank, for the purpose of financing all or a portion of the costs of the CHAMP Loan Applicants’ Projects (as identified in Schedule I attached hereto and made a part hereof), provided that (i) the principal amount of the CHAMP Direct Loans shall not exceed the applicable SFY2025 Direct Loan Maximum Amount with respect to such CHAMP Loan Applicants’ Projects (as identified in Schedule I attached hereto and made a part hereof), (ii) the CHAMP Direct Loans shall be funded solely from the Available Funds, as defined in the CHAMP Direct Loan Program (iii) the CHAMP Direct Loans shall comply fully with the provisions of the Act, CHAMP SFY2025 Financial Plan, the CHAMP Direct Loan Policy Resolution and this Resolution, (iv) the CHAMP Direct Loans shall be made by the I-Bank to each CHAMP Loan Applicant, and the repayment thereof shall be made by each respective CHAMP Loan Applicant to the I-Bank, pursuant to the terms and provisions of a CHAMP Direct Loan Agreement, in substantially the form attached hereto as **Exhibit A**, with such revisions, additions and/or modifications thereto as shall be approved by the Chairperson, the Vice Chairperson or the Executive Director of the I-Bank (each, an “Authorized Officer”) after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, such approval to be evidenced by the execution thereof by such Authorized Officer, and (v) the payment of interest on the CHAMP Direct Loans shall be the Interest Rate as defined in the CHAMP Direct Loan Policy Resolution.

Section 3. Each Authorized Officer is hereby severally authorized and directed to execute (i) each CHAMP Direct Loan Agreement and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the making of the CHAMP Direct Loans by the I-Bank to each CHAMP Loan Applicant.

Section 4. Upon execution of a CHAMP Direct Loan Agreement by an Authorized Officer, the Secretary and the Assistant Secretary of the I-Bank are each hereby severally authorized and directed, where required, to affix the corporate seal of the I-Bank, and to attest to the signature of such Authorized Officer, thereon and on any certificates, instruments or documents contemplated therein or related thereto and to the making of the CHAMP Direct Loans by the I-Bank to each CHAMP Loan Applicant.

Section 5. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his or her respective sole discretion after consultation with Bond Counsel to the I-Bank, and the Office of the Attorney General of the State, as appropriate, deems necessary, convenient or desirable to effect the transaction contemplated hereby.

Section 6. This Resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date: September 12, 2024

Motion Made By: Mr. Mark Longo

Motion Seconded By: Mr. James McManus

Ayes: 6

Nays: 0

Abstentions: 0

SCHEDULE I

Schedule I
New Jersey Infrastructure Bank
Resilience Bank Direct Loan Applicants

Primary Rating ²										
#	Borrower (Projects)	Pledge Type	PEL Amount	Total Proposed CHAMP Long-Term Loan	Total CHAMP LT Loan Outstanding ¹	CHAMP ST Loan Outstanding ²	Total	Rating ³	Rating ³	Rating ³
1	Jersey City (RB0906-001)	GO	1,360,000	1,360,000	-	-	1,360,000	A1	A+	A+
2	Hoboken City (RB0905-001)	GO	1,800,000	1,800,000	-	-	1,800,000	-	AA+	-
3	Stafford Township (RB1531-001)	GO	570,000	570,000	-	-	570,000	Aa2	AA	-
4	Bergen County Utilities Authority (RB0200-UA-001)	Indirect GO	1,610,000	1,610,000	-	-	1,610,000	Aa3	AA-	-
5	Rochelle Park Township (RB0254-001)	GO	2,140,000	2,140,000	-	-	2,140,000	-	AA	-
6	Marlboro Township (RB1330-001)	GO	520,000	520,000	-	-	520,000	Aaa	AAA	-
Totals =			8,000,000		-	-				

¹ Current outstanding long-term Loans (as of 09/05/2024)

² Outstanding short term loan balance on **other** projects **NOT** included in Community Hazard Assistance Mitigation Program Long-Term Loan Certification September 2024

³ Unless noted, ratings are direct and outlook is stable

EXHIBIT A
CHAMP Direct Loan Agreement

Resolution No. 24-47b

Attachment A

LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY INFRASTRUCTURE BANK

AND

[BORROWER NAME]

DATED AS OF _____, 2024

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NEW JERSEY INFRASTRUCTURE BANK LOAN AGREEMENT

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

WITNESSETH THAT:

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

WHEREAS, the State Legislature, in accordance with Section 20.5 of the Act, has in the form of an appropriations act approved a project eligibility list that includes the Project and that authorizes an expenditure of funds of the I-Bank to finance all or a portion of the Costs of the Project;

WHEREAS, the I-Bank has approved the Borrower's application for the Loan to finance all or a portion of the Costs of the Project;

WHEREAS, the Loan to the Borrower may be funded from one or more sources of funds, including, but not limited to (i) available proceeds of the I-Bank Bonds, and/or (ii) available funds in the CHAMP Fund;

WHEREAS, as one of the preconditions to the making of the Loan to the Borrower, the I-Bank may require that the Borrower execute, attest and deliver in escrow certain documents, including this Loan Agreement, and produce a validly executed and attested Borrower Bond evidencing said Loan; 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 the 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.

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 the annual fee owed by the Borrower to the I-Bank, payable semiannually on the dates and in the amounts set forth (i) during the Draw Period, pursuant to invoices provided by the I-Bank to the Borrower based on the Not-to-Exceed Principal Amount, and (ii) after the Effective Date, under the column titled “Admin Fee” on the A-2 Schedule attached hereto, based on the total amount borrowed, in both cases, payable to the I-Bank by the Borrower in accordance with the terms of this Loan Agreement, for services rendered by or on behalf of the I-Bank including loan servicing.

“Authorized Officer” (i) in the case of the I-Bank, the Chairperson, Vice-Chairperson, Secretary or Executive Director of the I-Bank, or any other person or persons designated by the Board by resolution to act on behalf of the I-Bank; the designation of such person or persons shall be evidenced by a written certificate containing the specimen signature of such person or persons and signed on behalf of the I-Bank by its Chairperson, Vice-Chairperson, Secretary or Executive Director; and (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 relating to the Loan, the Borrower Bond or this Loan Agreement; the designation of such person or persons shall be evidenced by a certified copy of such resolution or ordinance delivered to the I-Bank.

“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.

“Bond Indenture” means an Indenture of Trust, if any, to be entered into by and between the I-Bank and the Trustee, as amended and supplemented from time to time by one or more supplemental indentures.

“Borrower” means the Local Government Unit that is a party to this Loan Agreement, and its successors and assigns, as further described in the A-1 Schedule attached hereto.

“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, which may be modified at the Effective Date, a copy 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 or cause to be levied ad valorem taxes

upon all the taxable property within the jurisdiction of the Borrower without limitation as to rate or amount.

“**Borrower Enabling Act**” shall have the meaning set forth on the A-1 Schedule attached hereto.

“**CHAMP Fund**” means the Community Hazard Assistance Mitigation Program Revolving Loan Fund established pursuant to Section 10.6 of the Act (N.J.S.A. 58:11B-10.6).

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

“**Community Hazard Assistance Mitigation Program**” or “**NJ CHAMP**” means the joint initiative of the I-Bank and the OEM to provide low-cost financing to qualified applicants with respect to the hazard mitigation and resilience projects that are identified in the Act.

“**Costs**” means those costs of the Project that are eligible, reasonable, necessary, allocable to the Project and permitted by generally accepted accounting principles, as shall be determined on a project-specific basis, in accordance with the Act, and in accordance with provisions in the STORM Act, all as set forth in Exhibit B attached hereto, as the same may be supplemented or amended by subsequent changes to eligible costs as evidenced by a certificate of an Authorized Officer of the I-Bank.

“**Draw Period**” means the period of time beginning with Loan Closing and terminating at the Effective Date.

“**DLGS**” means the Division of Local Government Services in the New Jersey Department of Community Affairs.”

“**Effective Date**” means (i) the earlier of the Project Completion Date or the last day of the fifth (5th) full fiscal year after the Loan Closing Date, or (ii) if the Borrower receives a certification from OEM that additional time is required to complete the Project, such later date as shall be specified in such certification; provided that in no event shall the Effective Date be later than the last day of the eighth (8th) full fiscal year after the Loan Closing Date.

“**Electronic Means**” means telecopy, facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, or a telephone communication if such telephone communication is thereafter confirmed by any other method set forth in this definition.

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

“**FEMA**” means the United States Department of Homeland Security’s Federal Emergency Management Agency.

“**Financial Plan**” means the applicable financial plan approved by the State Legislature in accordance with Section 22.5 of the Act.

“Hazard Mitigation and Resilience Project Loans” means loans made by the I-Bank to finance or refinance Hazard Mitigation and Resilience Projects.

“Hazard Mitigation and Resilience Project” means a “hazard mitigation and resilience project”, as such term is defined in the Act.

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

“I-Bank Bonds” means bonds authorized pursuant to a Bond Indenture and issued by the I-Bank in order to finance or refinance, among other things, all or a portion of Loans to the Borrower or Other Borrowers.

“Interest” means the monetary charge for borrowing money pursuant to this Loan Agreement, which is calculated at the Interest Rate, multiplied by the outstanding Principal Portion of the Loan. Interest shall begin accruing upon the first disbursement under this Loan Agreement. Interest accrued during the Draw Period shall be payable on the next subsequent Payment Date following the period in which the Interest was accrued, and the I-Bank shall provide each Borrower with a monthly Loan statement which shall include a summary of the funds drawn under this Loan Agreement and the Interest accrued and outstanding. On the Effective Date, Interest shall be as set forth on the A-2 Schedule to be provided by the I-Bank under the column heading entitled “Interest”; provided, however, that in the event of any prepayment, the Borrower shall be required to pay all Interest accrued on the Loan to but not including such Loan Repayment date at the Interest Rate. Interest shall be calculated on a 30/360 basis.

“Interest Rate” means the rate of [one percent (1%) per annum].

“Late Fee” means the fee owed by a Borrower to the I-Bank with respect to any Loan Repayment all or a portion of which is received later than its due date.

“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 the A-1 Schedule attached hereto. For all purposes of this Loan Agreement, the outstanding balance of the Loan at any time shall be the total amount requisitioned in aggregate hereunder, less any principal amount that has been repaid or credited under this Loan Agreement.

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

“Loan Closing” means the date of the execution of this Loan Agreement, which shall be the Dated Date set forth on the A-1 Schedule hereto.

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

“Loan Repayments” means the sum of amounts owed under this Loan Agreement by the Borrower which shall include (i) the Interest, (ii) the Principal Portion, (iii) the Administrative Fee, (iv) the Loan Origination Fee, (v) any additional fees incurred by the I-Bank or OEM relating

to this Loan, which additional fees shall be preapproved, in writing, by the Borrower, and (vi) any Late Fees incurred hereunder and owing for the previous semi-annual payment period.

“Loan Origination Fee” means the fee owed by the Borrower calculated as two (2) percent of the total Loan amount, 50% of which fee is due and payable on the first Payment Date after Loan Closing, and the remaining balance of which is payable on the second Payment Date after the Effective Date as set forth in the A-2 Schedule attached hereto; the Loan Origination Fee shall be payable to the I-Bank by the Borrower in accordance with the terms of this Loan Agreement for services rendered by or on behalf of the I-Bank including, but not limited to, due diligence and project reviews.

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

“Local Government Unit” means a county or municipality, or any agency, instrumentality, authority, or corporation of any county or municipality, or any other entity eligible to receive federal funds pursuant to the STORM Act, as set forth in the Act.

“NRRA” means a nationally recognized rating agency, including Fitch Ratings, Inc., Moody’s Investor Service or S&P Global Ratings.

“Not-to-Exceed Principal Amount” means the maximum principal amount that the Borrower may borrow pursuant to this Loan Agreement as set forth on the A-1 Schedule, as such amount may be amended from time to time.

“OEM” means the State Office of Emergency Management in the Division of New Jersey State Police in the Department of Law and Public Safety.

“Other Borrowers” means any one or more other Local Government Units authorized to own, construct, operate and maintain Hazard Mitigation and Resilience Projects that have entered into Other Loan Agreements with the I-Bank pursuant to which the I-Bank will make Other Loans to such recipients from available funds in the CHAMP Fund and/or proceeds of Bonds, if any.

“Other Loan Agreements” means any other loan agreements entered into by and between the I-Bank and one or more of the Other Borrowers pursuant to which the I-Bank will make Other Loans to such Other Borrowers from available funds in the CHAMP Fund and/or proceeds of Bonds, if any.

“Other Loans” means the loans made by the I-Bank to the Other Borrowers pursuant to the Other Loan Agreements from available funds in the CHAMP Fund and/or proceeds of Bonds, if any.

“Parties” means, together, the Borrower and the I-Bank.

“Payment Date” means every April 1st and October 1st of each year during the term of the Loan Agreement.

“Prime Rate” means the prevailing commercial interest rate that commercial banks charge their most creditworthy corporate customers as quoted and published daily by The Wall Street Journal or its successors.

“Principal Portion” means, during the Draw Period, the aggregate amount of funds drawn under this Loan Agreement. The I-Bank shall provide monthly Loan statements to the Borrower as of the end of each month reflecting the Principal Portion as of the date of such Loan statements. From and after the Effective Date, Principal Portion means the amount of funds borrowed and outstanding on any given Payment Date at the times and in the amounts set forth on the A-2 Schedule attached hereto under the column heading entitled “Principal”, as same may be amended. The Loan may be prepaid in whole or in part at any time without penalty.

“Project” means the Hazard Mitigation and Resilience Project of the Borrower described in Exhibit A 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 STORM Act, all or 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 with the Project Number specified in Exhibit A.

“Project Completion Date” means the date that the construction of the Project is either actually completed or deemed to be completed, both as determined by an Authorized Officer of the I-Bank and as set forth on an amended A-1 Schedule.

“Project Fund” means the Project Fund, if any, as defined in and established pursuant to the Bond Indenture.

“Project Loan Account” means, (i) prior to the issuance of NJ CHAMP bonds to fund all or a portion of the Costs of the Project, the account for the benefit of the Borrower held by the I-Bank, relating to and established on behalf of the Borrower to finance or refinance all or a portion of the Costs of the Project and (ii) in the event the I-Bank issues NJ CHAMP bonds to fund all or a portion of the costs of the Project, the subaccount for the benefit of the Borrower within the applicable Bond Series account, if any, relating to and established on behalf of the Borrower within the Project Fund in accordance with the Bond Indenture to finance or refinance all or a portion of the Costs of the Project.

“Regulations” means (i) the rules and policies of the I-Bank applicable to Hazard Mitigation and Resilience Project Loans, including the then-current rules and policies of the I-Bank, including but not limited to the Financial Plan and any proposed regulations, all as may from time to time be amended and supplemented, except as the same may be superseded by regulations promulgated in the New Jersey Administrative Code that conflict with any such rules and policies, and (ii) the rules and regulations of the I-Bank applicable to Hazard Mitigation and Resilience Project Loans as now or hereafter promulgated in the New Jersey Administrative Code, as the same may from time to time be amended and supplemented.

“Reserved Rights” means the rights of the I-Bank under this Loan Agreement to enforce the remedies herein and to enjoy the benefits of the Borrower’s covenants hereunder, including but not limited to the I-Bank’s right, title and interest in and to the Administrative Fees, the Loan Origination Fee and Late Fees with respect to the Loan. The Reserved Rights may be exercised and enforced by the I-Bank whether or not a Trustee shall have exercised or shall have purported to exercise the rights and remedies provided for in a Bond Indenture, without limiting the obligation of the Trustee to do so.

“Rule 10b-5” means 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 15c2-12” means of 17 CFR 240.15c2-12, promulgated by the SEC under the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto.

“SEC” means the Securities and Exchange Commission.

“State” means the State of New Jersey.

“STORM Act” means the “Safeguarding Tomorrow Through Ongoing Risk Mitigation (STORM) Act,” Pub.L. 116-284 (42 U.S.C. s. 5135), as amended or supplemented.

“Tax-Exempt Debt Obligations” means debt obligations the interest on which is excluded from gross income for purposes of federal income taxation under Section 103(a) of the Code.

“Trustee” means the Trustee appointed by the I-Bank, if any, and its successors or replacements as Trustee under a Bond Indenture.

(a) In addition to the capitalized terms defined in 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 the A-1 Schedule attached hereto and made a part hereof.

(b) 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 as follows:

(a) Organization and Authority.

(i) The Borrower is a Local Government Unit duly created and validly existing under and pursuant to the Constitution and statutes of the State.

(ii) The officers or 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 or 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 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 Loan Closing to own, operate and/or maintain the Project, or have regulatory authority over the site of the Project, 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 in accordance with all applicable State law, and have been duly and lawfully adopted in accordance with the Borrower Enabling Act and 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; and (C) 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.

(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

(vii) and the information contained under "Description of Loan" in the A-2 Schedule 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 the Project, 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 the Project, (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, the Project or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter 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, the Project 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, the Project 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 the Project 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 for the authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond; (i) for the sale of the Borrower Bond to the I-Bank; (ii) 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 (iii) for the undertaking or completion of the Project and the financing or refinancing thereof, including, but not limited to, the approval by DLGS with respect to the issuance by the Borrower of the Borrower Bond to the I-Bank, as required by Section 5a of the Act, and any other approvals required therefor by 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 represents and agrees as follows:

(i) the Borrower and/or the Project shall be in compliance with all laws, ordinances, governmental rules and regulations to which each 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 the Project; and

(ii) the Borrower and/or the Project shall have obtained and shall maintain all licenses, permits, franchises or other governmental authorizations presently necessary for the ownership of the site of the Project or for the conduct of the Project activities that, if not obtained, would materially adversely affect (A) the ability of the Project to be undertaken or completed, (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 the Project.

(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 all or a portion of the Costs of the Borrower's Project; and (ii) where applicable, to reimburse the Borrower for a portion of the Costs of the Borrower's 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 under and pursuant to the Regulations, the Code and any other applicable law. All of such costs shall constitute Costs for which the I-Bank is authorized to make Loans to the Borrower pursuant to the Act and the Regulations.

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, 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, and if the Borrower receives State-aid from the State, an amount sufficient to satisfy such deficiency shall be paid by the New Jersey State Treasurer to the I-Bank from the State-aid otherwise payable to the Borrower.

(b) Performance Under Loan Agreement; Credit Rating; 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 the Project in good repair and condition or to cause the Project to be maintained in good repair and condition; and (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 maintain a Credit Rating from a NRRRA, which Credit Rating may be a non-public, indicative Credit Rating, (all pursuant to, and as such terms are defined in, the "Credit Policy" of the I-Bank as in effect from time to time) and have the Credit Rating updated annually for as long as the remaining aggregate outstanding principal amount of the Borrower Bond and all other bonds issued by the Borrower to the I-Bank for any I-Bank financing program, in aggregate, exceeds the minimum amount identified in the Credit Policy.

(c) Completion of Project and Provision of Moneys Therefor. The Borrower covenants and agrees (i) to exercise its best efforts in accordance with prudent practice to complete the Project and to accomplish such completion on or before the estimated Project Completion Date set forth on the amended A-1 Schedule attached hereto and made a part hereof; (ii) to comply with the terms and provisions contained herein, including in the Exhibits 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 required to complete the Project. In addition, the Borrower covenants and agrees to apply Loan Proceeds to timely pay outstanding requisitions relating to the Project.

(d) Disposition of Project. (I) The Borrower shall not sell, lease, assign or otherwise dispose of all or substantially all of the Project to any other person or entity (a "Successor") except on ninety (90) days prior written notice to the I-Bank, and, in any event, shall not so sell, lease, assign 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 the Borrower's rights and interests hereunder and thereunder to the Successor, and such Successor 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 determine, in its sole discretion, that such sale, lease, assignment or other disposition will not violate the STORM Act or other applicable law and, in the event that the Borrower Bond has been pledged pursuant to a Bond Indenture as security for I-Bank Bonds, the I-Bank shall determine, in its sole discretion, that such sale, lease, assignment or other disposition will not materially adversely affect (A) the I-Bank's ability to meet its duties, covenants, obligations and agreements under the Bond Indenture, or (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]. Otherwise, the Borrower shall prepay the Borrower Bond in its entirety, including any Loan Repayments due and owing by the Borrower, prior to any such sale, lease, assignment, or other disposition of all or substantially all of the Project. (II) The Borrower shall not abandon all or substantially all of the Project except on ninety (90) days prior written notice to the I-Bank, and, in any event, in the case of any abandonment by the Borrower of all or substantially all of the Project, the Borrower shall prepay the Borrower Bond in its entirety, including any Loan Repayments due and owing by the Borrower, prior to any such abandonment of all or substantially all of the Project. Any prepayments made pursuant to this Section shall also be subject to the requirements of Section 3.07 hereof.

(e) [Exclusion of Interest from Federal Gross Income and Compliance with the Code.]

[For purposes of this subsection, quoted terms shall have the meanings given thereto by Code Sections 103, 141 and 148 of the Code and the related Treasury Regulations, including but not limited to Treasury Regulations §§1.148-1 through 1.148-11, inclusive, and Treasury Regulations §1.150-1, all as may be supplemented or amended, to the extent applicable to the I-Bank Bonds, and any successor Treasury Regulations applicable to the I-Bank Bonds.

(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 portion of the Project or any of 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 take any action or omit to take any action, and shall not directly or indirectly use or invest or permit the use or investment of any proceeds of the I-Bank Bonds (or any amounts replaced with such proceeds) or any other funds, if such action, omission, use or investment 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, at the Borrower’s sole cost and expense, an opinion of Bond Counsel to that effect in form and substance satisfactory to the I-Bank, upon which the I-Bank may rely.

(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) capitalized 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, pursuant the Code, is the later of (1) three years from the date of issuance of the I-Bank Bonds or (2) one year after the date on which the Project is placed in service.

(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 Tax-Exempt Debt Obligations or cause or permit any other state or local governmental unit to issue any Tax-Exempt Debt Obligations for the Project if such Tax-Exempt Debt Obligations (A) are sold at substantially the same time as the I-Bank Bonds, (B) are sold pursuant to the same plan of financing as the I-Bank Bonds, and (C)

are reasonably expected to be paid out of substantially the same source of funds as the I-Bank Bonds.

(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 Principal Amount of the Loan.

(x) The Borrower shall not issue or permit to be issued any obligations the proceeds of which will be used to pay the Borrower Bond without the express written consent of the I-Bank, which consent (i) may only be delivered by the I-Bank if the I-Bank has received notice from the Borrower of such contemplated action no later than ninety (90) days prior to any such contemplated action, and (ii) is in the sole discretion of the I-Bank. If such action is authorized by the I-Bank, the Borrower shall also comply with the requirements of Section 3.07 hereof.

(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 during any period in which 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 the portion of the Loan that will be used to finance (not refinance) Costs of the Project (the “new money portion”). 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 new money portion of the Loan, (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 the “net sale proceeds” (within the meaning of Treasury Regulations §1.148-1(b)) of the new money portion of the Loan (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))), (B) completion of the Project and the allocation to expenditures of the “net sale proceeds” of the new money portion of the Loan will proceed with due diligence, and (C) all of the proceeds of the new money portion of the Loan used to finance Costs of the Project and the investment earnings thereon will be spent prior to the date that is three (3) years subsequent to the date of issuance of the I-Bank Bonds used to finance the Project. Accordingly, any proceeds of the new money portion of the Loan deposited in the Project Loan Account used to finance the Project will be eligible for the 3-year arbitrage temporary period since the expenditure test, time test and due diligence test, as set forth in Treasury Regulations §1.148-2(e)(2), will be satisfied.

(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, 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 not enter into any service contracts (including management contracts) with respect to any portion of the Project financed by the I-Bank Bonds unless (A) 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 contract or 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, and (B) such contract is with a “governmental unit” (within the meaning of Section 141 of the Code) or, if such contract is not with a “governmental unit”, such contract either (i) meets a safe harbor as set forth in Rev. Proc. 2017-13 (IRS RPR), 2017-6 I.R.B. 787, or (ii) meets a safe harbor contained in any successor guidance from the Internal Revenue Service.]

(xv) The Borrower shall, within thirty (30) days of the 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.

(f) Operation and Maintenance of Project. The Borrower covenants and agrees that it shall (i) at all times maintain the Project in good repair, working order and operating condition, and (ii) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to the Project, all in accordance with prudent practices for the Project.

(g) [Records and Accounts] [Reserved].

For purposes of this subsection, quoted terms shall have the meanings given thereto in Section 148 of the Code, Treasury Regulations §§1.148-1 through 1.148-11, inclusive, and Treasury Regulations §1.150-1, all as may be supplemented or amended, to the extent applicable to the I-Bank Bonds, and any successor Treasury Regulations applicable to the I-Bank Bonds.

(i) Borrower shall keep accurate records and accounts for the Project (the “Project Records”) separate and distinct from its other records and accounts (the “General Records”). Such Project 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 Project 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 Borrower’s 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 five (5) Business Days following receipt of any Loan proceeds, the Borrower shall allocate such proceeds to expenditures in a manner that satisfies the requirements of Treasury Regulation §1.148-6(d). The Borrower shall retain records of such allocations 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 fifteen (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 (e)(iii) 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. For each such “nonpurpose investment”, 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, the 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). 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 the purposes of calculating purchase price and calculating amounts received or constructively received on disposition, brokerage commissions, selling commissions, administrative expenses and 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 the proceeds of the Loan to expenditures shall be recorded by the Borrower on the books of the Borrower kept in connection with the Loan 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 (i.e., the portion of the Project financed with proceeds of I-Bank Bonds) is placed in service. All allocations of proceeds of the Loan 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 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, such written report to be submitted to the I-Bank within thirty (30) days of the I-Bank's request for same.

(h) Inspections; Information. The Borrower shall permit the I-Bank and the Trustee, if any, (and any party designated by either of such parties to act on its behalf or to assist it, including, without limitation, their respective professional advisors), at any and all reasonable times during construction of the Project and, thereafter, upon prior written notice, (i) to visit, inspect and examine the property constituting the Project and the site on which the Project is located, and (ii) to inspect (and make and retain copies of) any Borrower accounts, books, records, correspondence and files, including, without limitation, Borrower records regarding contracts, receipts, disbursements, investments and the overall financial standing of the Borrower, and any other matters related to the Borrower, the Project and the foregoing list of deliverables. In furtherance of the intent of this subsection, the Borrower shall promptly prepare and provide such written reports and informational summaries as the I-Bank or the Trustee, if any, may reasonably require, such written reports and informational summaries to be provided by the Borrower within thirty (30) days of the date of the request for same. Without limiting the foregoing, the Borrower agrees to provide any and all documents, reports and information as shall be necessary or desirable to satisfy the performance measures and reporting requirements imposed by FEMA in connection with the receipt of funds pursuant to the STORM Act.

(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, the Project, at least to the extent that similar insurance is typically carried, and considered commercially reasonable, in connection with constructing and maintaining projects of the nature of the Project, 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 the Project.

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

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

(iii) copies of (A) those ordinances and/or resolutions finally adopted by the governing body of the Borrower and requested by the I-Bank, including, without limitation, (i) the resolution of the Borrower authorizing the execution, attestation and delivery of this Loan Agreement, (ii) the ordinances and resolutions of the Borrower authorizing the execution, attestation, sale and delivery of the Borrower Bond to the I-Bank, (iii) the resolution of the Borrower, if any, confirming the details of the sale of the Borrower Bond to the I-Bank, (iv) 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, and (v) any other Proceedings, all of the foregoing being certified by an Authorized Officer of the Borrower as of the date of the Loan Closing, and (B) the approval by 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 DLGS;

(iv) [if any portion of 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 Borrower's Bond Counsel, in form and substance satisfactory to the I-Bank, upon which the I-Bank may rely, 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][reserved]; and

(v) [the certificates of insurance coverage as required pursuant to the terms of Section 3.06(c) hereof and such other certificates, documents, opinions and information as the I-Bank may require, if any.][reserved.]

(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, and, if applicable, the I-Bank shall certify, in writing, the portion of the net proceeds of the I-Bank Bonds that shall be deposited in the Project Loan Account simultaneously with the delivery of the Borrower Bond. If there are no I-Bank Bonds issued in connection with the Loan, the proceeds of the Borrower Bond shall be applied as set forth on Exhibit F hereto.

(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 the Project, 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) 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, if any, have been included in Exhibit F hereto and made a part hereof. Such covenants and requirements may relate to, but need not be limited to, 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 federally tax-exempt I-Bank Bonds, if any, Rule 15c2-12, Rule 10b-5, and any other applicable federal, state or self-regulatory organization securities laws, regulations and rules, and matters in connection with the appointment of the Trustee under the Bond Indenture and any successors thereto. The Borrower hereby agrees to observe and comply with each such additional covenant and requirement, if any, included in Exhibit F hereto as if the same were set forth herein in its entirety.

(ii) Additional defined terms, covenants, representations and requirements have been included in the A-1 Schedule attached hereto, each of which 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 the A-1 Schedule as if the same were set forth herein in its entirety.

(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, 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, substantially in the form attached hereto as Exhibit G, 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 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.

(q) Except as otherwise expressly provided in this Loan Agreement to the contrary, the Borrower shall promptly comply with all reasonable requests of the I-Bank for information or reports regarding the Borrower, the Borrower's accounts, books, records, or financial standing, or any other matter relating to the Borrower or the Project and shall provide the requested information or reports to the I-Bank within thirty (30) days of the date of the request.

(r) [To be included for Water Projects only: The Borrower covenants and agrees that it shall, in accordance with (1) prudent environmental infrastructure utility practice, (2) all

applicable statutory and regulatory requirements now or hereafter enacted, and (3) prudent planning:

(A) at all times operate, or cause the properties of the Project and any business in connection therewith to be operated in an efficient manner,

(B) maintain the Project, or cause the Project to be maintained, in good repair, working order and operating condition, and

(C) timely make, or cause to be made, all necessary and proper repairs, renewals, replacements, additions, adaptations, betterments, and improvements with respect to the Project, including, without limitation, those that are necessary or appropriate to ensure the resiliency of the Project (including, without limitation, those necessary or appropriate to ensure unimpeded physical access to or operation of the sites and infrastructure of the Project) in order to address anticipated climate change impacts as set forth in the Department of Environmental Protection's "Building Resilience Water Infrastructure Climate Change Resilience Guidance," dated April 2023 as amended, supplemented or updated, and which is incorporated herein by reference, and/or actual impacts from flooding, sea level rise, hurricanes, extreme rainfall, and storm surge so that at all times the business carried on in connection therewith and the provision of essential services thereby shall be efficiently and properly conducted.

The I-Bank, in its sole discretion, may expressly authorize, in writing, a waiver of any or all of the requirements of this provision based upon its determination that long term operability of the Stormwater Management System or Wastewater Treatment System (as such terms are defined in the Act) is no longer viable. Any such waiver, however, does not relieve Borrower of the obligation to provide the essential services through an alternative approach.]

[TO BE INCLUDED IF PARAGRAPH (g) IS RESERVED

(s) Records and Accounts.

(i) Borrower shall keep accurate records and accounts for the Project, including the expenditure and investment of all Loan proceeds (the "Project Records") separate and distinct from its other records and accounts (the "General Records"). Such Project 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 Project 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 Borrower's 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 five (5) Business Days following receipt of any Loan proceeds, the Borrower shall allocate any such proceeds to expenditures. The Borrower shall make such records available to the I-Bank within fifteen (15) days of any request by the I-Bank.

(iii) The Borrower covenants and agrees that all allocations of the proceeds of the Loan to expenditures shall be recorded by the Borrower on the books of the Borrower kept in

connection with the Loan. Such records and accounts will include the particular Costs paid, the date of the payment and the party to whom the payment was made.

(iv) 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 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, such written report to be submitted to the I-Bank within thirty (30) days of the I-Bank's request for same.]

SECTION 2.03 Borrower Responsible for Compliance. Notwithstanding anything contained herein to the contrary, in the event that any funds provided pursuant to this Loan Agreement are used by any person or entity other than or in addition to the Borrower, the Borrower shall be responsible for ensuring compliance with all of the covenants set forth herein.

ARTICLE III
LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01 Loan; Loan Term.

(a) Prior to the Effective Date, the I-Bank hereby agrees to (i) make the Loan to the Borrower in the not to exceed principal amount set forth on the A-1 Schedule attached hereto, and (ii) to disburse the proceeds of the Loan to the Borrower in accordance with Section 3.02, Exhibit C and Exhibit F hereof. The I-Bank hereby acknowledges receipt of the Borrower Bond, a copy of which is attached as Exhibit D hereto. The Borrower hereby agrees to borrow and accept the Loan from the I-Bank upon the terms set forth herein.

(b) From and after the Effective Date, the Borrower hereby agrees to the terms set forth in the A-2 Schedule, as such A-2 Schedule may be amended from time to time, attached hereto and made a part hereof. The Borrower agrees that the amount recorded by the I-Bank for the purpose of the Loan on the Effective Date shall constitute the principal amount of the Loan (as the same may be adjusted downward in accordance with the definition thereof), and the I-Bank shall not have any obligation thereafter to loan any additional amounts to the Borrower with respect to the Loan.

(c) 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 this Loan Agreement, or (ii) to disburse the proceeds of the Loan to the Borrower in accordance with Section 3.02, Exhibit C and Exhibit F 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 or on behalf of the Borrower in the amount and for the purposes set forth in Exhibit F hereof.

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

(e) The payment obligations created under this Loan Agreement are secured by the Borrower Bond. The obligations 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 or cause to be levied ad valorem taxes upon all the taxable property within the Borrower for the payment of such obligations, without limitation as to rate or amount.

SECTION 3.02 Disbursement of Loan Proceeds.

(a) The proceeds of the Loan shall be disbursed to the Borrower, in one or more disbursements, promptly after receipt by the I-Bank of a Loan Disbursement Requisition and the approval of such Loan Disbursement Requisition by an Authorized Officer of the I-Bank or OEM, or a designee thereof, each such disbursement and the date thereof to be recorded and maintained by an Authorized Officer of the I-Bank or a designee thereof, in the records of the I-Bank with respect to the Loan; provided, however, that the approval by the I-Bank of any Loan Disbursement

Requisition for disbursement pursuant to the terms hereof shall be subject to the terms, conditions and limitations as set forth in paragraph (d) of this Section 3.02. It is expected that the proceeds of the Loan will be disbursed to the Borrower in accordance with the schedule set forth in Exhibit C hereto, as Exhibit C shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit C or an additional Exhibit C, such supplement to be implemented concurrently with the supplement to Exhibit A hereto (as provided in the definition of “Project” as set forth herein). The latest date upon which the Borrower may submit to the I-Bank a Loan Disbursement Requisition is the first business day of the month immediately preceding the month of the Effective Date or such alternative date as shall be identified by the I-Bank for the Borrower in writing.

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

(i) such Loan proceeds shall be available for disbursement to, or for the account of, the Borrower, as determined by the I-Bank in its sole and absolute discretion;

(ii) reserved;

(iii) reserved; 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) In connection with the disbursement of Loan proceeds to, or for the account of, the Borrower, the Borrower shall comply with each of its covenant obligations pursuant to this Loan Agreement relating to such disbursement of Loan proceeds, as well as the use of such Loan proceeds by the Borrower, including without limitation, the provisions of Section 2.02 hereof.

SECTION 3.03 Amounts Payable.

The obligations of the Borrower under the Borrower Bond shall be deemed to be amounts payable under this Section 3.03. Each Loan Repayment 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.

(a) Prior to the Effective Date, the Borrower shall pay the I-Bank, or its designee, as follows:

(i) Interest that has accrued on requisitioned amounts that were disbursed to the Borrower, such payments to be made semiannually on the subsequent Payment Date following the period in which the Interest has accrued, in accordance with invoices submitted by the I-Bank to the Borrower;

(ii) 50% of the Loan Origination Fee, such payment to be made on the first Payment Date after the Loan Closing Date. In the event the Borrower repays the Loan in full or the I-Bank terminates the Loan prior to the Effective Date, the Borrower shall simultaneously therewith pay the I-Bank the remaining balance of the Loan Origination Fee; and

(iii) the Administrative Fee.

(b) From and after the Effective Date, the Borrower shall make the Loan Repayments in semiannual installments, payable to the I-Bank, or its designee, as set forth in the A-2 Schedule, attached hereto and made a part hereof, on the Effective Date, as may be amended from time to time.

(c) Late Fees, if any, shall be paid on the next subsequent Principal Payment Date, in accordance with the schedule set forth in the A-2 Schedule attached hereto and made a part hereof. The Late Fee shall be equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one-half of one percent (0.50%) per annum with respect to the remaining outstanding principal amount of the Loan, from the applicable due date with respect to such Loan Repayment to the date it is actually paid; provided, however, that the rate of Interest on the Loan, including, without limitation, any Late Fee incurred hereunder and calculated pursuant to the terms hereof, shall not exceed the maximum interest rate permitted by law. Notwithstanding anything contained herein to the contrary, an Authorized Officer of the I-Bank may, in the sole discretion of such Authorized Officer, either (i) delay in charging such Late Fee for a period of up to 24 hours after the due date of such Loan Repayment or (ii) waive such Late Fee if such Loan Repayment is paid in full within 24 hours after the due date thereof, or if in the determination of an Authorized Officer that circumstances warrant waiver.

(d) Reserved.

(e) Reserved.

(f) 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 payment of the Loan Origination Fee, if applicable, second, to the extent available, to the payment of the Administrative Fee, third, to the extent available, to the Interest then due and payable, fourth, to the extent available, to the principal of the Loan then due and payable, next, to the extent available, to the payment of any Late Fees hereunder and finally, to the extent available, to any other payment required under this Loan Agreement.

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

(h) Each payment made to the I-Bank pursuant to this Section 3.03 shall be applied first, to the payment of the Loan Origination Fee, if applicable, second, to the payment of the Administrative Fee, third, to the Interest then due and payable, fourth, to the principal of the Loan then due and payable, next to the payment of any Late Fees hereunder and finally, to any other payment required under this Loan Agreement.

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 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, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the I-Bank to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Project, this Loan Agreement, or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might otherwise have against the I-Bank or any other party or parties; provided, however, that payments hereunder shall not constitute a waiver of any such rights. The Borrower acknowledges that (i) payment of any I-Bank Bonds by the I-Bank does not constitute payment of the amounts due under this Loan Agreement and the Borrower Bond and (ii) payment of the I-Bank Bonds from moneys that were originally received by the Trustee from repayments by the Other Borrowers of loans made to the Other Borrowers to finance or refinance a portion of the Costs of the projects of the Other Borrowers, does not constitute payment of the amounts due under this Loan Agreement and the Borrower Bond.

SECTION 3.05 Loan Agreement to Survive Loan. The Borrower acknowledges that its duties, covenants, obligations and agreements hereunder shall survive the discharge of the Bond Indenture applicable to the I-Bank Bonds, if any, 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. For the avoidance of doubt, the Borrower acknowledges that its duties, covenants, obligations and agreements set forth in Section 3.06 hereof[, other than paragraph (c) thereof,] shall survive the payment in full of the Loan.

SECTION 3.06 Disclaimer of Warranties and Indemnification.

The Borrower acknowledges and agrees that (i) the I-Bank makes no 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 Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the I-Bank, the Trustee, if any, 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 Project or any item or products or services

provided for in this Loan Agreement; and (iii) during the term of this Loan Agreement and to the fullest extent permitted by law, the Borrower shall indemnify and hold the I-Bank, the Trustee, if any, and their respective agents 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/or the Trustee, if any, 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 Project, or the acquisition, construction or installation of the Project.

(a) The Borrower agrees that the I-Bank and the Trustee, if any, and their officers, agents, servants and employees shall not be liable for, and they shall be indemnified and shall be held harmless by the Borrower from, any action performed or inaction under this Loan Agreement on the part of the Borrower, and any claim or suit of whatsoever nature. Neither the I-Bank nor the Trustee, if any, shall be liable in connection with the performance of its respective duties hereunder except for its own negligence or willful misconduct.

(b) 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), even though such statute, by its express terms, would not apply to claims arising under contract with the I-Bank but for this provision.

(c) [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 Project, 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 principal Loan Repayments, in whole or in part, upon prior written notice to the I-Bank not less than ninety (90) days from the date of prepayment, and upon payment by the Borrower to the I-Bank of amounts that, together with investment earnings thereon, will be sufficient to pay the principal amount of the Loan Repayments to be prepaid plus the Interest Portion described in clause (ii) of the definition thereof on any such date; provided, however, that any such full or partial prepayment may only be made (i) upon the prior written approval of the I-Bank, such approval to take into consideration, among other things, any restrictions upon the I-Bank's ability to prepay I-Bank Bonds, if any, and (ii) 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 not be redeemed or 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, either (i) sufficient to defease the I-Bank Bonds to be defeased as a result of the Borrower's prepayment or (ii) 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, in either case, as directed in writing by an Authorized Officer of the I-Bank.

SECTION 3.08 Reserved.

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 5a 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) hereof, the enforcement of which are reserved to the I-Bank, the I-Bank may transfer its right, title and interest in, to and under this Loan Agreement and the Borrower Bond to the Trustee as security for I-Bank Bonds issued or to be issued pursuant to and as provided in the Bond Indenture, and that, if such assignment has been made and if any Event of Default shall occur, the Trustee, pursuant to the Bond Indenture, shall be entitled to act hereunder in the place and stead of the I-Bank (subject to the provisions of this Section 4.01(a), below, and Section 5.07 hereof). The Borrower hereby 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.

Regardless of any such assignment, 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) 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) hereof) and as otherwise provided by the terms and provisions of Section 5.07 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 I-Bank Bonds or the issuance of additional bonds under the Bond Indenture or otherwise.

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, if any, 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) if applicable, 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 Loan Repayment required to be paid hereunder when due, on time and in full;

(b) failure by the Borrower to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement, 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 I-Bank, unless the I-Bank 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 I-Bank 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; provided, however, that (A) a failure on the part of the Borrower to comply with subsections (a), (c), (e) (to the extent that such failure reflects financial difficulty of the Borrower), (f) and (g) of this Section 5.01 and/or Section 2.02(c)(ii) hereof or (B) a failure on the part of the Borrower to both (x) comply with subsections [insert any references as appropriate] and (y) notify the I-Bank in accordance with subsection 5.02 hereof, shall, upon the occurrence thereof, and with no further action on the part of the I-Bank, constitute an Event of Default hereunder;

(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 DLGS) of the Borrower or any of its property shall be appointed by court order or take possession of the Borrower or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days;

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

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

(g) occurrence of an “Event of Default” pursuant to, and as defined in, any I-Bank short-term loan that may be outstanding.

SECTION 5.02 Notice of Default. The Borrower shall give 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 hereof and of the occurrence of any other event or condition that would constitute 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 I-Bank to take whatever 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), (d), (e) and/or (g) hereof shall have occurred and be continuing, the I-Bank shall, to the extent allowed by applicable law, have the right to declare all Loan Repayments and all other amounts due hereunder (including, without limitation, payments under the Borrower Bond) 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 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 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 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 Loan Origination Fee, (c) third, to the extent available, to pay the Administrative Fee, (d) fourth, to the extent available, to pay to the Interest Portion then due and payable, (e) fifth, to the extent available, to pay the principal of the Loan, and (f) finally, to the extent available, to the payment of any Late Fees and any 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, if any, 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 to exercise any remedy reserved to it in this Article V, it shall not be necessary to give any notice other than such notice as may be required in this Article V.

SECTION 5.07 Retention of I-Bank’s Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof or of the Bond Indenture, if any, 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 or, unless otherwise specified herein to the contrary, provided by Electronic Means, (i) to the Borrower at the address specified in Exhibit A attached hereto and made a part hereof and (ii) to the I-Bank at the following address:

To the I-Bank:

New Jersey Infrastructure Bank
3131 Princeton Pike
Building 4, Suite 216
Lawrenceville, New Jersey 08648
Attention: Executive Director
executivedirector@njib.gov

Either 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 agreement of the I-Bank and the Borrower. Notwithstanding anything contained herein to the contrary, (i) Section 2.02(p) hereof may be amended, supplemented or modified upon the written agreement of the I-Bank and the Borrower and without the consent of the Trustee, if any, or any holders of the I-Bank Bonds, (ii) the form of Continuing Disclosure Agreement set forth in Exhibit G 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, if any, or any holders of the I-Bank Bonds, and (iii) this Loan Agreement may be amended, supplemented or modified as and when necessary to comply with any changes in federal tax law and/or the STORM Act that take effect after the Dated Date, any such amendment, supplement or modification shall not require

the consent of the Borrower; provided, however, that the Borrower's Loan Repayments hereunder cannot be modified without the Borrower's prior written consent.

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, if any, 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. This Loan Agreement is executed, among other reasons, and when applicable, 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, if any, and the Trustee, if any.

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

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

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

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

By: _____
Robert A. Briant, Jr.
Chairperson

ATTEST:

David E. Zimmer
Assistant Secretary

[BORROWER]

By: _____
Name:
Title:

ATTEST:

Name:
Title:

A-1 SCHEDULE

A-2 SCHEDULE

Debt Service Schedule

See Exhibit to Copy of Borrower Bond (Exhibit D hereto)

EXHIBIT A
Description of Project

EXHIBIT B

Basis for Determination of Allowable Project Costs

EXHIBIT C

Disbursement Schedule

EXHIBIT D
Borrower Bond

EXHIBIT E

Opinions of Borrower's Bond Counsel and General Counsel

EXHIBIT F

**Additional Covenants and Requirements;
Sources and Uses of Funds**

EXHIBIT G

Form of Continuing Disclosure Agreement