Honorable Chris Christie
Governor of the State of New Jersey
State House
PO Box 001
Trenton, New Jersey 08625

Dear Governor Christie:

In accordance with the provisions of the New Jersey Environmental Infrastructure Trust Act, I hereby transmit for your review and consideration the minutes of the May 8, 2014 meeting of the New Jersey Environmental Infrastructure Trust. The New Jersey Environmental Infrastructure Trust Act provides that the Governor has ten days from the delivery of the minutes, excluding weekends and holidays, to review and accept such minutes. In the event that the minutes are not acted upon within the statutory time frame by you, the minutes become effective automatically.

Sincerely,

Roger Ellis
Secretary

Enclosure
Cc: Honorable Stephen Sweeney, President of the Senate
    Honorable Vincent Prieto, Speaker of the General Assembly
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

OPEN PUBLIC MEETING

MINUTES – May 8, 2014

1. CALL TO ORDER:

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, May 8, 2014 in the conference room of 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey. Vice Chairman Barrack called the meeting to order at 10:00 a.m.

2. OPEN PUBLIC MEETING ACT STATEMENT:

Executive Director Zimmer read the Open Public Meeting Act Statement into the record. Mr. Zimmer reported that he received a letter from DEP Commissioner Bob Martin appointing Mr. Fred Sickels as his representative for today's Board meeting.

3. ROLL CALL:

Ms. Lynda Fischer conducted roll call to which Mr. Victor, Mr. Barrack, Mr. Briant, Mr. Ellis, Mr. Sickels, and Ms. Campbell all responded affirmatively.

DIRECTORS
   Warren Victor, Chairman*
   Herbert Barrack, Vice Chairman
   Roger Ellis, Secretary
   Robert A. Briant, Jr., Treasurer
   Fred Sickels
   (for DEP Commissioner Martin)
   Christine Campbell
   (for State Treasurer Sidamon-Eristoff)

OTHERS
   David E. Zimmer, Executive Director
   Frank Scangarella, Assistant Director
   Lauren Seidman Kaltman, Chief Financial Officer
   John Hansbury, Chief Budget Officer
   Kerstin Sundstrom, Governor’s Authorities Unit
   Clifford T. Rones, Deputy Attorney General
   Richard Nolan, McCarter & English LLP
   Geoffrey Stewart, Public Financial Management
   Gene Chebra, Municipal Finance & Construction

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

Vice Chairman Barrack opened discussion of the minutes of the Thursday, April 10, 2014 Trust Board meeting.

There were no comments or questions. Vice Chairman Barrack requested a motion for approval.

Mr. Briant moved for the approval of the minutes. Ms. Campbell seconded the motion. The motion was carried 6 to 0 with 0 abstentions.

5. **ANNOUNCEMENTS:**

Executive Director Zimmer summarized the substantive events that occurred and correspondence, which was issued since the last Trust Board meeting.

- The Trust successfully sold $56.545 million of Trust Bond Series 2014A with a 2.795454% rate and $5.49 million of Trust Bond Series 2014B at a 3.339523% rate and will assist in the financing of 74 projects totaling $237.66 million. (A full report was presented to the Board for approval under Agenda Item 8B).

- Executive Director Zimmer and Assistant Director Scangarella attended the Council of Infrastructure Financing Authorities (or CIFA) conference in Washington DC on April 14th and 15th. Executive Director Zimmer participated in a panel on Water Infrastructure Resiliency.

- The Trust again helped sponsor and Trust employees again participated with DEP Commissioner Bob Martin, DEP employees, civic and environmental groups, schools and governmental subdivisions, in the Barnegat Bay Blitz Campaign, the fifth massive clean-up effort event in this watershed. This campaign is part of the implementation of Governor Christie’s 10-point Barnegat Bay Campaign to restore the health of the Bay.

- The next Trust Board meeting is scheduled for Thursday, June 12, 2014 at 10:00 am at the Trust’s offices.

In keeping with the Trust’s green initiative, a copy of the full list of announcements and correspondence is available on the Trust’s webpage in a format that allows for copying under the General Information tab at: [http://www.njeit.org/general-information/miscellaneous/board-meeting-agendas](http://www.njeit.org/general-information/miscellaneous/board-meeting-agendas)

There were no comments or questions.

6. **PUBLIC COMMENTS:**

Vice Chairman Barrack invited comments from the public. There were no comments.
7. **UNFINISHED BUSINESS:**

A. Mr. Chebra, of the NJDEP’s Municipal Finance and Construction Element, reported that there are 185 active projects totaling $1.1MM and 926 closed projects with loans outstanding totaling $4.48MM for a grand total of 1111 projects at $5.58MM.

B. Mr. Chebra discussed the SFY2014 Combined Financing Loan Programs:

**SFY2014 Clean Water Financing Program:**

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Projects</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional and Supplemental Program:</td>
<td>38 Projects Totaling</td>
<td>$164,741,249</td>
</tr>
<tr>
<td>Supplemental Program:</td>
<td>5 Projects Totaling</td>
<td>$25,477,107</td>
</tr>
<tr>
<td>Track II Projects:</td>
<td>3 Projects Totaling</td>
<td>$4,187,440</td>
</tr>
<tr>
<td>Barnegat Bay Projects:</td>
<td>2 Projects Totaling</td>
<td>$3,170,129</td>
</tr>
<tr>
<td><strong>Total Clean Water Projects</strong></td>
<td>48 Projects Totaling</td>
<td><strong>$197,575,925</strong></td>
</tr>
</tbody>
</table>

**SFY2014 Drinking Water Financing Program:**

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Projects</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional and Supplemental Program:</td>
<td>27 Projects Totaling</td>
<td>$53,037,016</td>
</tr>
<tr>
<td>Supplemental Program:</td>
<td>1 Projects Totaling</td>
<td>$225,545</td>
</tr>
<tr>
<td>Legacy:</td>
<td>1 Projects Totaling</td>
<td>$2,678,000</td>
</tr>
<tr>
<td>Track II Projects:</td>
<td>2 Projects Totaling</td>
<td>$675,250</td>
</tr>
<tr>
<td><strong>Total Drinking Water Projects</strong></td>
<td>31 Projects Totaling</td>
<td><strong>$56,615,811</strong></td>
</tr>
</tbody>
</table>

**SFY2014 Grand Totals:**

| Clean & Drinking Water Program Totals: | 79 Projects | $254,191,736 |

Mr. Chebra noted the 74 projects on the above combined Financing Loan list that were part of the recent bond sale would be incorporated with the Construction Status report starting in June.

There were no comments or questions.

Executive Director Zimmer reminded the Board that the Aged Inventory report is a quarterly report and Chief Financial Officer Kaltman will present the report at the June meeting.

C. Executive Director Zimmer reported on the status of the Trust’s outstanding Requests For Proposals (RFPs):

**RFP for Financial Advisor**

Pursuant to Resolution No. 14-09, the Trust issued an RFP for Financial Advisory Services. The Trust received 3 proposals which the Evaluation Committee reviewed and presented to Executive Director Zimmer for recommendation for contract award. The recommendation for contract award was discussed as Agenda Item 8E.
RFP for Investment Advisor

Pursuant to Resolution No. 14-11, the Trust issued the RFP for Investment Advisory Services. Proposals were due Tuesday, May 6, 2014. The Trust received 4 responses, which are currently under review by the committee. The Trust anticipates a recommendation for contract award at the June Board meeting.

D. Executive Director Zimmer next reported on the status of the SFY2014/2015 Interim Financing Programs (IFP):

SFY2014 IFP report:

- The Trust did not receive any additional IFP applications for 2014. The Trust received 22 IFP applications for SFY2014 totaling $30,729,914.
- The Trust closed 2 applications for SFY2014 since the previous month bringing the total SFY2014 IFP loans closed to 19 loans requesting $24.93 MM.
- The Trust has disbursed funds to 17 projects to-date totaling $12,426,775.

SFY2015 IFP report:

- The Trust received three new applications since the previous month. The Trust currently has a total of (4) SFY2015 IFP loan applications totaling $23,500,000.
- The Trust has not closed on any IFP loan applications nor made any disbursements.

The IFP report was provided to the Board in satisfaction of the requirements of Section 6 of the authorizing Resolution No. 12-61 adopted on December 13, 2012.

There were no comments or questions.

8. NEW BUSINESS:

A. Executive Director Zimmer requested that Trust Chief Budget Officer, John Hansbury, introduce Resolution No. 14-23 accepting the April 2014 Treasurer’s Reports.

Mr. Hansbury presented the Report announcing that in April, the Trust received revenues from fees of $1,770.00 and paid bills totaling $101,527.40 and the Trust received and is reviewing bills for payment totaling $155,801.11.

Mr. Hansbury asked if there were any comments or questions regarding the report as presented. Hearing none, Vice Chairman Barrack requested a motion for approval.

The resolution was moved for adoption by Mr. Ellis and seconded by Mr. Sickels.
The motion was carried 6 to 0 with 0 abstentions.

The breakdown of pending bills was presented to the Board in written form is as follows:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Princeton Pike Office Park, LLC</td>
<td>$9,235.97</td>
</tr>
<tr>
<td>(Rent - May 2014) - Current lease dates 12/1/2013 - 11/30/2018</td>
<td></td>
</tr>
<tr>
<td>Annual Rent $64,000.00 + New Estimated annual nets</td>
<td></td>
</tr>
<tr>
<td>$46,831.56 divided by 12 months equals $9,235.97 per month.</td>
<td></td>
</tr>
<tr>
<td>PFM Asset Management, LLC</td>
<td>$13,097.05</td>
</tr>
<tr>
<td>(Investment Advisor - March 2014) Pursuant to Trust Resolution</td>
<td></td>
</tr>
<tr>
<td>number 12-43, Current contract runs from 7/30/2012 to</td>
<td></td>
</tr>
<tr>
<td>7/30/2014. Fee based on aggregate assets under management.</td>
<td></td>
</tr>
<tr>
<td>Invoice# 153368</td>
<td></td>
</tr>
<tr>
<td>J&amp;J Staffing Resources</td>
<td>$30,490.25</td>
</tr>
<tr>
<td>(Part-Time salaries April 2014, inv#s: 324679, 324995, 325327,</td>
<td></td>
</tr>
<tr>
<td>325658)</td>
<td></td>
</tr>
<tr>
<td>Public Financial Management, Inc.</td>
<td>$72,783.97</td>
</tr>
<tr>
<td>(Financial Advisor - 1/16/14 to 4/15/14 inv#153971)</td>
<td></td>
</tr>
<tr>
<td>Rothstein Kass</td>
<td>$8,006.26</td>
</tr>
<tr>
<td>(Internal Control Auditor, invoice# 562566)</td>
<td></td>
</tr>
<tr>
<td>Bank of America Business Card</td>
<td>$3,069.48</td>
</tr>
<tr>
<td>(Credit Card Account #05667)</td>
<td></td>
</tr>
<tr>
<td>The Bank of New York Mellon</td>
<td>$7,000.00</td>
</tr>
<tr>
<td>U.S. Bank</td>
<td>$3,232.50</td>
</tr>
<tr>
<td>U.S. Bank</td>
<td>$8,885.63</td>
</tr>
<tr>
<td>Trustee: 2010 A,B &amp; C (3/1/13 - 2/28/14)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$155,801.11</strong></td>
</tr>
</tbody>
</table>

Bond Series 2014A will fund 72 projects valued at $56.92 MM at a True Interest Cost of 2.795454% and Bond Series 2014B will fund 2 projects valued at $5.60 MM at a True Interest Cost of 3.339523%.

Executive Director Zimmer acknowledged and thanked all Program staff on the success of the recent bond sale but in particular, recognized the hard work completed by the DEP staff in preparing the projects for funding. Vice Chairman Barrack concurred with the sentiment and requested a motion for approval.

The resolution was moved for adoption by Ms. Campbell and seconded by Mr. Briant. The motion was carried 6 to 0 with 0 abstentions.

C. Executive Director Zimmer requested that Assistant Director Scangarella introduce Resolution No. 14-25. The Board originally approved the SFY2015 IFP Resolution at the December, 2013 meeting. The Trust is requesting approval to restate the SFY2015 IFP Resolution Interest Rate on any SFY2015 Legacy Project to a 0% rate and on all other SFY2015 projects to 25% AAA market-rate.

Assistant Director Scangarella asked if there were any comments or questions. Hearing none, Vice Chairman Barrack requested a motion for approval.

The resolution was moved for adoption by Mr. Briant and seconded by Mr. Ellis. The motion was carried 6 to 0 with 0 abstentions.

D. Assistant Director Scangarella introduced Resolution No. 14-26 approving SFY2015 IFP Loan to Wildwood Crest, a SFY2015 Legacy project as noted in paragraph C. As the loan exceeds the Executive Director’s $10 MM authorized IFP Loan limit, Board authorization is required.

Assistant Director Scangarella asked if there were any comments or questions. Hearing none, Vice Chairman Barrack requested a motion for approval.

The resolution was moved for adoption by Mr. Sickels and seconded by Ms. Campbell. The motion was carried 6 to 0 with 0 abstentions.

E. Executive Director Zimmer requested that Chief Financial Officer Kaltman introduce Resolution No. 14-27 awarding Financial Advisory Services contract to Public Financial Management (PFM). The Trust received 3 proposals (PFM, Lamont and NW Financial). PFM ranked the highest overall based on the required criteria. The contract is for a two-year term for SFY2015-2016, with a one year option to extend the contract at the option of the Board.

Chief Financial Officer Kaltman asked if there were any comments or questions. Hearing none, Vice Chairman Barrack requested a motion for approval.

The resolution was moved for adoption by Ms. Campbell and seconded by Mr. Ellis. The motion was carried 6 to 0 with 0 abstentions.

F. Executive Director Zimmer introduced Resolution No. 14-28 authorizing the Trust to make Direct
Program Loans to certain SFY2014 Borrowers. There are 5 borrowers requesting Direct Loans for a total Trust amount $791,855. All 5 borrowers met the Financing Program’s required credit criteria.

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

The resolution was moved for adoption by Mr. Briant and seconded by Mr. Sickels. The motion was carried 6 to 0 with 0 abstentions.

G. Executive Director Zimmer introduced Resolution No. 14-29 authorizing the Trust to make NANO Loans to certain SFY2014 Borrowers. There are 5 borrowers requesting NANO Loans for a total Trust amount $1,000,000. All 5 borrowers met the Financing Program’s required credit criteria.

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

The resolution was moved for adoption by Mr. Ellis and seconded by Ms. Campbell. The motion was carried 6 to 0 with 0 abstentions.

H. Executive Director Zimmer noted, that while the action items on the Agenda were now completed, there were (3) issues remaining that required some level of Board input and discussion.

a. SAIL Start-up Costs – Executive Director Zimmer informed Board members that the Trust had incurred approximately $17,000 of expenses with Grant-Thornton related to start-up and process development assistance costs on the SAIL Financing Program. Staff believes these costs are qualified expenses to be paid by the Trust pursuant to SAIL Resolution No. 13-73 but was looking for confirmation from the Board prior to proceeding.

Mr. Briant asked if these expenses were one-time costs to which Executive Director Zimmer replied yes and that he did not anticipate total start-up costs with Grant Thornton to exceed $30,000 since much of the Program and procedure design work for SAIL was being handled internally by Trust staff. To which Mr. Briant agreed that some amount of start-up costs could be expected and this was an acceptable amount. Mr. Barrack voiced his agreement.

b. Amended Spending Policy as it pertains to Board-authorized Spending Caps – Executive Director Zimmer reminded the Board of a recent discussion regarding the tracking of Board-authorized spending caps and that the Trust’s senior staff had both independently, and with the assistance of Process Controls Auditor, Rothstein Kass, reviewed the policy for revision to ensure compliance. Assistant Director Scangarella presented a draft version of the revised policy which would require any Vendor working under a contract that contains spending limits to provide periodic work status summaries of costs incurred to the Trust’s CBO, including the point at which work-completed reaches 75% of the spending limit. The policy also calls for a Trust senior staff member to be responsible for contracts involved in their particular functional areas and to review, monitor and sign-off on all invoices to the Executive Director for expenses involving the contracts for which they are responsible.

c. Board Involvement with the Trust’s Credit Policy – Executive Director Zimmer introduced the
notion that some members desired to have a more formal process for notice when Trust staff encountered an applicant whose credit situation was determined to be a material credit event as well as what, if any, action Trust Staff had taken to resolve such a credit situation. Vice Chairman Barrack noted that in certain such situations, it would be prudent to have the Board on the record as having been notified of the situation as well as of the resolution implemented by the Board. There was additional discussion involving DEP’s Mr. Sickels, State Treasurer’s representative, Ms. Campbell and Mr. Briant about not having the Board attempt to intercede in the credit activities of the staff within the boundaries of the Board-approved credit policy. Board members concluded that the Executive Director would formalize a report of all such Material Events as defined in the Trust’s Credit Policy and as determined by the Executive Director and notice the Board such that staff’s actions would be memorialized in the minutes of the Board. Members agreed to work with Executive Director Zimmer over the coming weeks to formalize the language necessary to amend the Policy accordingly.

9. **EXECUTIVE SESSION:**

Vice Chairman Barrack asked if there was a need for an Executive Session. Executive Director Zimmer responded there was not.

10. **ADJOURNMENT:**

Vice Chairman Barrack then asked for a motion for an adjournment.

Mr. Briant moved to adjourn the meeting. The motion was seconded by Mr. Ellis. The motion was carried 6 to 0 with 0 abstentions.

The meeting was adjourned at 10:56 am.
RESOLUTION NO. 14-23

RESOLUTION AUTHORIZING ACCEPTANCE OF THE
APRIL 2014 TREASURER REPORT

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") has reviewed the Treasurer’s Report for April 2014; and

WHEREAS, the Trust has placed in its files certain correspondence relating to expenses incurred in relation to the Trust.

NOW THEREFORE BE IT RESOLVED, that the Trust hereby accepts the Treasurer’s Report for April 2014 and requests that the same be entered into the record.

Adopted Date: May 8, 2014
Motion Made By: Mr. Ellis
Motion Seconded By: Mr. Sickels
Ayes: 6
Nays: 0
Abstentions: 0
RESOLUTION NO. 14-24


BE IT RESOLVED, that in connection with the sale on May 7, 2014 of the Series 2014A and Series 2014B Bonds, the New Jersey Environmental Infrastructure Trust (the "Trust") hereby acknowledges receipt of the Executive Director's Report and ratifies all actions taken which includes copies of the following:

Notice of Sale and Summary of the Notice of Sale
Preliminary Official Statement
Series 2014A Bond and Series 2014B Bond Bids
Mark-up of the Changed Pages from the Preliminary Official Statement

Adopted Date: May 8, 2014

Motion Made By: Ms. Campbell

Motion Seconded By: Mr. Briant

Ayes: 6

Nays: 0

Abstentions: 0
DATE: May 7, 2014

TO: Board Members
New Jersey Environmental Infrastructure Trust

FROM: David E. Zimmer, Executive Director
New Jersey Environmental Infrastructure Trust

SUBJECT: NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
BOND SALE REPORT

On May 7, 2014, the New Jersey Environmental Infrastructure Trust's (the "Trust") Bond Sale was held.

On May 7, 2014, the following activities were conducted in connection with the sale of the Series 2014A Bonds and Series 2014B (AMT) Bonds. Present at the sale were:

David E. Zimmer, Executive Director, NJEIT
Frank Scangarella, Assistant Director, NJEIT
Lauren Kaltman, Chief Financial Officer, NJEIT
John Hansbury, Chief Budget Officer, NJEIT
Richard Nolan, Bond Counsel, McCarter & English, LLP
Geoffrey Stewart, Financial Advisor, Public Financial Management
Daniel Berger, Public Financial Management
Ty Savastio, Public Financial Management

A. Notice of Sale

On April 29, 2014, a summary of the Notice of Sale was published in the Star Ledger, the Trenton Times, the South Jersey Times and The Bond Buyer. Simultaneously, the Notice of Sale was electronically distributed by the Trust using the i-Deal Prospectus Delivery System (IDP Delivery System). (See attachments A-1 and A-2, respectively)

B. Preliminary Official Statement

On April 29, 2014, the Preliminary Official Statement (POS) was electronically distributed by the Trust using the IDP Delivery System as one Tax-exempt series (Series 2014A) and one AMT series (Series 2014B). In accordance with Securities and Exchange Commission Rule 15c2-12 and due to the
structure of the Program, the Trust was not required to provide disclosure on any specific borrower. The POS is available on the Trust’s website at:

http://assets.njeit.org/njeit/officialstatements/2014AB.pdf

C. **Series 2014A Bonds and 2014B (AMT) Bonds**

- The Series 2014A Bonds were offered pursuant to the terms and conditions of the Notice of Sale for the Series 2014A Bonds. Five (5) firms submitted bids. The successful bid was submitted by Citibank Global Markets Inc. in the amount of $58,794,674.20 at a True Interest Cost (TIC) of 2.799544%.

- The Series 2014B (AMT) Bonds were offered pursuant to the terms and conditions of the Notice of Sale for the Series 2014B (AMT) Bonds. Four (4) firms submitted bids. The successful bid was submitted by Citibank Global Markets Inc. in the amount of $5,712,060.85 at a True Interest Cost (TIC) of 3.338138%.

In accordance with the New Jersey Environmental Infrastructure Trust Act, P.L. 1985, c. 334 (N.J.S.A. 58:11B-1 et seq.) (the “Act”) and the Bond Resolutions of the Trust adopted on April 10, 2014, and as therein authorized and provided, the following actions were taken:

(i) The Executive Director, pursuant to the delegation granted to him by the Board as set forth in Resolution 14-15, selected May 7, 2014 at 10:45 a.m. at the Trust's administrative offices located at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648, for the receipt of electronic bid proposals and the opening of said proposals for the purchase of the Trust's Environmental Infrastructure Bonds, Series 2014A (the "Series 2014A Bonds").

(ii) The Executive Director, pursuant to the delegation granted to him by the Board as set forth in Resolution 14-16, selected May 7, 2014 at 11:15 a.m. at the Trust's administrative offices located at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648, for the receipt of electronic bid proposals and the opening of said proposals for the purchase of the Trust's Environmental Infrastructure Bonds, Series 2014B (AMT) (the “Series 2014B (AMT) Bonds").

(iii) On April 29, 2014 a summary of the Notice of Sale for the Trust’s Series 2014A Bonds and Series 2014B (AMT) Bonds, substantially in the form as approved by the Trust, was duly published as directed by the Act and said Resolutions in the Star Ledger, the Trenton Times, and the South Jersey Times, three newspapers published in the State of New Jersey, and in The Bond Buyer, a publication carrying municipal bond notices and devoted primarily to financial news published in the City of New York. Copies of the Notice of Sale and the Preliminary Official Statement were distributed to all interested persons and to a list of prospective bidders, bond firms and investors on April 29, 2014.

(iv) At 10:45 a.m. on May 7, 2014, a total of five (5) electronic bids were received by the New Jersey Environmental Infrastructure Trust for the purchase of the Series 2014A Bonds. The
electronic bids were delivered using the PARITY electronic bid submission system of i-Deal LLC (ID Parity System).

Listed below are the responding bidders and the corresponding TIC of each bid. After consideration and review of the Proposals for the Series 2014A Bonds, the TIC over the life of the Series 2014A Bonds under each of the aforementioned Proposals for Series 2014A Bonds was confirmed by the Trust as follows:

<table>
<thead>
<tr>
<th>SERIES 2014A</th>
<th>Bidder</th>
<th>Proposal’s Total Purchase Price</th>
<th>True Interest Cost (TIC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bidder No. 1</td>
<td>Citigroup Global Markets Inc.</td>
<td>$58,795,674.20</td>
<td>2.799544%*</td>
</tr>
<tr>
<td>Bidder No. 2</td>
<td>Bank of America Merrill Lynch</td>
<td>$59,309,086.53</td>
<td>2.816204%</td>
</tr>
<tr>
<td>Bidder No. 3</td>
<td>Morgan Stanley &amp; Co, LLC</td>
<td>$60,128,471.94</td>
<td>2.852874%</td>
</tr>
<tr>
<td>Bidder No. 4</td>
<td>Janney Montgomery Scott, LLC</td>
<td>$59,886,415.93</td>
<td>2.866350%</td>
</tr>
<tr>
<td>Bidder No. 5</td>
<td>J.P. Morgan Securities, LLC</td>
<td>$61,098,825.76</td>
<td>2.886470%</td>
</tr>
</tbody>
</table>

*As adjusted pursuant to the terms of the Notice of Sale: $60,477,251.05 at a TIC of 2.795454%.

For the purchase of the Series 2014A Bonds, the bid proposal from Citigroup Global Markets Inc. was the best responsive proposal received, providing the lowest TIC to the Trust over the life of the Series 2014A Bonds. Accordingly, the Series 2014A Bonds were awarded to Citigroup Global Markets Inc.

At 11:15 a.m. on May 7, 2014, a total of four (4) electronic bids were received by the New Jersey Environmental Infrastructure Trust for the purchase of the Series 2014B (AMT) Bonds. The electronic bids were delivered using the PARITY electronic bid submission system of i-Deal LLC (ID Parity System).

Listed below are the responding bidders and the corresponding TIC of each bid. After consideration and review of the Proposals for the Series 2014B (AMT) Bonds, the TIC over the life of the Series 2014B (AMT) Bonds under each of the aforementioned Proposals for Series 2014B (AMT) Bonds was confirmed by the Trust as follows:

<table>
<thead>
<tr>
<th>SERIES 2014B</th>
<th>Bidder</th>
<th>Proposal’s Total Purchase Price</th>
<th>True Interest Cost (TIC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bidder No. 1</td>
<td>Citigroup Global Markets Inc.</td>
<td>$5,712,060.85</td>
<td>3.338138%*</td>
</tr>
<tr>
<td>Bidder No. 2</td>
<td>Janney Montgomery Scott LLC</td>
<td>$5,720,707.45</td>
<td>3.383398%</td>
</tr>
</tbody>
</table>
As adjusted pursuant to the terms of the Notice of Sale: $5,763,411.75 at a TIC cost of 3.339523%.

For the purchase of the Series 2014B (AMT) Bonds, the bid proposal from Citigroup Global Markets, Inc. was the best responsive proposal received, providing the lowest TIC to the Trust over the life of the Series 2014B (AMT) Bonds. Accordingly, the Series 2014B (AMT) Bonds were awarded to Citigroup Global Markets, Inc.

<table>
<thead>
<tr>
<th>Bidder No.</th>
<th>Bidder Name</th>
<th>Proposal Amount</th>
<th>TIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Hutchinson, Shockey, Erley &amp; Co.</td>
<td>$5,712,000.00</td>
<td>3.483366%</td>
</tr>
<tr>
<td>4</td>
<td>Morgan Stanley &amp; Co, LLC</td>
<td>$6,016,647.95</td>
<td>3.598979%</td>
</tr>
</tbody>
</table>

* As adjusted pursuant to the terms of the Notice of Sale: $5,763,411.75 at a TIC cost of 3.339523%.

For the purchase of the Series 2014B (AMT) Bonds, the bid proposal from Citigroup Global Markets, Inc. was the best responsive proposal received, providing the lowest TIC to the Trust over the life of the Series 2014B (AMT) Bonds. Accordingly, the Series 2014B (AMT) Bonds were awarded to Citigroup Global Markets, Inc.

D. Investment of Proceeds

The proceeds of the Series 2014A Bonds and the Series 2014B (AMT) Bonds, the Project Funds and the Capitalized Interest Fund relating to such Series, will be deposited in Money Market Investments (Federated Prime Series Obligations) upon settlement.

E. Official Statement


Summary of Attachments

- Summary Notice of Sale (Attachment A-1);
- Notice of Sale (Attachment A-2);
- Mark-up of Preliminary Official Statement (Attachment B-1);
- Series 2014A Bond bids (Attachment C); and
- Series 2014B (AMT) Bond bids (Attachment D)
ATTACHMENT A-1

SUMMARY NOTICE OF SALE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

$55,010,000* ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2014A

$5,440,000* ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2014B (AMT)

NOTICE IS HEREBY GIVEN that the Executive Director (or any other Authorized Officer as such term is defined in the hereinafter defined Resolutions) (the “Executive Director”) of the New Jersey Environmental Infrastructure Trust (the “Trust”) will receive, until 10:45 a.m. for the Series 2014A Bonds (as hereinafter defined) and 11:15 a.m. for the Series 2014B Bonds (as hereinafter defined), New Jersey time, on Wednesday, May 7, 2014 (unless postponed in accordance with the terms hereof, the “Bid Date”), electronically via the PARITY Electronic Bid Submission System (“PARITY”) of i-Deal LLC (“i-Deal”), in a manner described below:

(i) “Proposals for Series 2014A Bonds” for the purchase of all of the Trust's $55,010,000* aggregate principal amount of “Environmental Infrastructure Bonds, Series 2014A” (the “Series 2014A Bonds”); and

(ii) “Proposals for Series 2014B Bonds” for the purchase of all of the Trust's $5,440,000* aggregate principal amount of “Environmental Infrastructure Bonds, Series 2014B (AMT)” (the “Series 2014B Bonds”).

The Proposals for Series 2014A Bonds and the Proposals for Series 2014B Bonds shall be referred to collectively herein as the “Proposals for Bonds” and each a “Proposal for Bonds”. Each of the Series 2014A Bonds and the Series 2014B Bonds is a “Series” and shall be referred to collectively herein as the “Bonds”.

Such bids will be publicly opened at such times at the offices of the Trust, located at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648. The Trust will not consider Proposals for Bonds received by any means other than as set forth under the caption “Procedures Regarding Electronic Bidding” in the full Notice of Sale, or after 10:45 a.m. for the Series 2014A Bonds and 11:15 a.m. for the Series 2014B Bonds, New Jersey time (or the time for receipt of bids set forth in any postponement notice), on the Bid Date. All Proposals for Bonds must conform with every term, requirement and condition set forth in the full Notice of Sale, dated April 29, 2014 (the “full Notice of Sale”), of which this is a summary, subject to the Trust’s rights set forth therein.

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the full Notice of Sale or in the Preliminary Official Statement, dated April 29, 2014, disseminated by the Trust in connection with the sale of the Bonds (the “Preliminary Official Statement”).

ALTHOUGH THE TWO SERIES OF BONDS WILL BE ISSUED SIMULTANEOUSLY BY THE TRUST, THE TWO SERIES OF BONDS WILL BE ISSUED PURSUANT TO SEPARATE BOND RESOLUTIONS AND WILL BE SEPARATELY SECURED, EXCEPT FOR THEIR RESPECTIVE INTERESTS IN THE MASTER PROGRAM TRUST ACCOUNT HELD BY THE MASTER PROGRAM TRUSTEE. BIDDERS MAY CHOOSE, AT THE BIDDERS’ SOLE DISCRETION, TO BID FOR THE PURCHASE OF ONE OR BOTH SERIES OF BONDS. AWARD BY THE TRUST OF ONE SERIES OF BONDS IS NOT CONDITIONED UPON THE AWARD BY THE TRUST OF THE OTHER SERIES OF BONDS.

The Bonds will be dated the date of issuance thereof and will bear interest from such dated date payable semiannually on March 1 and September 1, beginning September 1, 2014, at the rate or rates per annum specified by the Successful Bidders in compliance with the terms of the full Notice of Sale. The Bonds will mature in the Preliminary Principal Amounts, as identified in the full Notice of Sale and subject to

*Subject to adjustment in accordance with the full Notice of Sale.
adjustment in accordance with the terms of the full Notice of Sale. The Bonds will be subject to optional redemption and mandatory sinking fund redemption prior to their stated maturities to the extent provided in the full Notice of Sale.

Each Series of Bonds shall be awarded to the bidder offering such interest rate or rates and purchase price that will produce the lowest true interest cost to the Trust over the life of such Series of Bonds. The Trust will provide to the respective Successful Bidders the approving legal opinion of McCarter & English, LLP, Newark, New Jersey, bond counsel to the Trust, with respect to each Series of Bonds.

The Trust may, in its sole discretion and prior to the opening of bids, (i) adjust the Preliminary Principal Amount of one or more maturities of any Series of Bonds and, correspondingly, the aggregate Preliminary Principal Amount of any such Series of Bonds, and/or (ii) modify or clarify any other term hereof or of the full Notice of Sale, by issuing a notification of the adjusted amounts, modification or clarification via Thomson Municipal Market Monitor (or some other municipal news wire service recognized by the municipal securities industry, “Thomson News Service”) no later than 9:45 a.m., New Jersey time, on the Bid Date.

The Trust reserves the right to postpone or reschedule, from time to time, the Bid Date and/or the Closing Date for one or more Series of Bonds. ANY SUCH POSTPONEMENT OR RESCHEDULING WILL BE ANNOUNCED VIA THOMSON NEWS SERVICE NO LATER THAN THE FOLLOWING TIMES ON THE LAST ANNOUNCED DATE FOR THE RECEIPT OF BIDS: (I) IF PRIOR TO THE RECEIPT OF BIDS, 9:45 A.M., NEW JERSEY TIME, OR (II) IF THERE IS NO SUCCESSFUL BIDDER FOR ONE OR MORE SERIES FOR ANY REASON IN ACCORDANCE WITH THE TERMS OF THE FULL NOTICE OF SALE, 5:00 P.M., NEW JERSEY TIME. Any such alternative Bid Date and the time at which bids are next due will be announced via Thomson News Service at least forty-eight (48) hours, exclusive of weekends and State holidays, before bids are next due. On any such alternative Bid Date, bidders shall submit Proposals for Bonds in conformity with all of the requirements of the full Notice of Sale, other than the date of submission and sale and any further or contrary provisions set forth in such announcement or in any adjustment, modification or clarification announcement referred to above, which further or contrary provisions must be complied with by all bidders.

The foregoing is a summary of the full Notice of Sale. To the extent the provisions of the full Notice of Sale are in any fashion different from this summary or from the instructions or directions from PARITY, the terms of the full Notice of Sale shall control the award of each Series of the Bonds. For further information with respect to the Bonds and the sale thereof, reference is hereby made to the full Notice of Sale and the Preliminary Official Statement. For further information about PARITY, potential bidders may contact the Trust, the Trust’s financial advisor (using the contact information set forth below), or i-Deal at (212) 849-5024. Copies of the full Notice of Sale and the Preliminary Official Statement may be obtained from the Executive Director of the Trust at the Administrative Offices (telephone (609) 219-8600) or from Public Financial Management, Inc., financial advisor to the Trust, 2 Logan Square, Suite 1600, Philadelphia, Pennsylvania 19103, Attention: Geoffrey Stewart or Daniel Berger (telephone (215) 567-6100).

Warren H. Victor
Chairman
New Jersey Environmental Infrastructure Trust

Dated: April 29, 2014
NOTICE OF SALE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

$55,010,000* ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2014A

$5,440,000* ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2014B (AMT)

NOTICE IS HEREBY GIVEN that the Executive Director (or any other Authorized Officer as such term is defined in the hereinafter defined Resolutions) (the “Executive Director”) of the New Jersey Environmental Infrastructure Trust (the “Trust”) will receive, until 10:45 a.m. for the Series 2014A Bonds (as hereinafter defined) and 11:15 a.m. for the Series 2014B Bonds (as hereinafter defined), New Jersey time, on Wednesday, May 7, 2014 (unless postponed in accordance with the terms hereof, the “Bid Date”), electronically via the PARITY Electronic Bid Submission System (“PARITY”) of i-Deal LLC (“i-Deal”), in a manner described below:

(i) “Proposals for Series 2014A Bonds” for the purchase of all of the Trust's $55,010,000* aggregate principal amount of “Environmental Infrastructure Bonds, Series 2014A” (the “Series 2014A Bonds”); and

(ii) “Proposals for Series 2014B Bonds” for the purchase of all of the Trust's $5,440,000* aggregate principal amount of “Environmental Infrastructure Bonds, Series 2014B (AMT)” (the “Series 2014B Bonds”).

The Proposals for Series 2014A Bonds and the Proposals for Series 2014B Bonds shall be referred to collectively herein as the “Proposals for Bonds” and each a “Proposal for Bonds”. Each of the Series 2014A Bonds and the Series 2014B Bonds is a “Series” and shall be referred to collectively herein as the “Bonds”.

The Trust will not consider Proposals for Bonds received by any means other than as set forth under the caption “Procedures Regarding Electronic Bidding” herein, or after 10:45 a.m. for the Series 2014A Bonds and 11:15 a.m. for the Series 2014B Bonds, New Jersey time (or the time for receipt of bids set forth in any postponement notice), on the Bid Date. All Proposals for Bonds must conform with every term, requirement and condition set forth in this Notice of Sale, including, without limitation, the provision of the Deposit (as hereinafter defined), subject to the Trust's rights set forth herein.

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Preliminary Official Statement, dated April 29, 2014, disseminated by the Trust in connection with the sale of the Bonds (the “Preliminary Official Statement”).

ALTHOUGH THE TWO SERIES OF BONDS WILL BE ISSUED SIMULTANEOUSLY BY THE TRUST, THE TWO SERIES OF BONDS WILL BE ISSUED PURSUANT TO SEPARATE BOND RESOLUTIONS AND WILL BE SEPARATELY SECURED, EXCEPT FOR THEIR RESPECTIVE INTERESTS IN THE MASTER PROGRAM TRUST ACCOUNT HELD BY THE MASTER PROGRAM TRUSTEE. BIDDERS MAY CHOOSE, AT THE BIDDERS' SOLE DISCRETION, TO BID FOR THE PURCHASE OF ONE OR BOTH SERIES OF BONDS. AWARD BY THE TRUST OF ONE SERIES OF BONDS IS NOT CONDITIONED UPON THE AWARD BY THE TRUST OF THE OTHER SERIES OF BONDS.

Persons considering a purchase of either Series of the Bonds should read (i) the Preliminary Official Statement in its entirety, including, without limitation, the cover and the inside cover thereof and the appendices thereto, and (ii) this Notice of Sale in its entirety, including, without limitation, the requirements herein under the headings “Compliance with L. 2005, c. 51”, “Compliance with L. 2005, c. 271 Reporting

*Subject to adjustment in accordance with this Notice of Sale.
The Bonds. Each Series of the Bonds will be dated the date of issuance thereof and will bear interest from such dated date, payable semiannually on March 1 and September 1, beginning September 1, 2014, at the rate or rates per annum specified in the respective Proposals for Bonds of the respective Successful Bidders (as hereinafter defined) therefore until maturity (stated or otherwise). Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months, and will be payable in lawful money of the United States of America.

The Bonds will be issued initially as registered bonds in book-entry-only form. For so long as The Depository Trust Company, New York, New York (“DTC”), or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly by wire transfer to Cede & Co. Disbursement of such payments to the DTC participants is the responsibility of DTC, and further disbursement of such payments from the DTC participants to the beneficial owners of the Bonds is the responsibility of the DTC participants.

Each Series of Bonds will be issued as fully registered bonds in the denomination of one bond per aggregate principal amount of the stated maturity thereof and registered in the name of DTC or its nominee, Cede & Co. DTC will act as securities depository for the Bonds. For so long as the Bonds are registered in book-entry-only form, purchases of the Bonds will be made in book-entry-only form (without certificates) in principal amounts of $5,000 or any whole multiple thereof. It shall be the obligation of the Successful Bidders to furnish, not less than seven (7) days prior to the Closing Date (as hereinafter defined), (i) to DTC, an underwriters' questionnaire, and (ii) to the Trust, the CUSIP numbers for the respective Series of Bonds.

Amortization. The Bonds will mature on September 1 of the following years and, subject to adjustment in accordance with the terms hereof, in the following “Preliminary Principal Amounts”:

$55,010,000* aggregate Preliminary Principal Amount of Series 2014A Bonds

<table>
<thead>
<tr>
<th>September 1</th>
<th>Preliminary Principal Amount ($)</th>
<th>September 1</th>
<th>Preliminary Principal Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$1,475,000</td>
<td>2025</td>
<td>$2,995,000</td>
</tr>
<tr>
<td>2016</td>
<td>1,850,000</td>
<td>2026</td>
<td>3,120,000</td>
</tr>
<tr>
<td>2017</td>
<td>2,195,000</td>
<td>2027</td>
<td>3,225,000</td>
</tr>
<tr>
<td>2018</td>
<td>2,250,000</td>
<td>2028</td>
<td>3,345,000</td>
</tr>
<tr>
<td>2019</td>
<td>2,355,000</td>
<td>2029</td>
<td>3,500,000</td>
</tr>
<tr>
<td>2020</td>
<td>2,435,000</td>
<td>2030</td>
<td>3,635,000</td>
</tr>
<tr>
<td>2021</td>
<td>2,550,000</td>
<td>2031</td>
<td>3,780,000</td>
</tr>
<tr>
<td>2022</td>
<td>2,665,000</td>
<td>2032</td>
<td>3,925,000</td>
</tr>
<tr>
<td>2023</td>
<td>2,765,000</td>
<td>2033</td>
<td>4,065,000</td>
</tr>
<tr>
<td>2024</td>
<td>2,880,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Subject to adjustment in accordance with this Notice of Sale.
$5,440,000* aggregate Preliminary Principal Amount of Series 2014B Bonds

<table>
<thead>
<tr>
<th>September 1</th>
<th>Preliminary Principal Amount ($)*</th>
<th>September 1</th>
<th>Preliminary Principal Amount ($)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$200,000</td>
<td>2025</td>
<td>$290,000</td>
</tr>
<tr>
<td>2016</td>
<td>205,000</td>
<td>2026</td>
<td>300,000</td>
</tr>
<tr>
<td>2017</td>
<td>210,000</td>
<td>2027</td>
<td>315,000</td>
</tr>
<tr>
<td>2018</td>
<td>225,000</td>
<td>2028</td>
<td>325,000</td>
</tr>
<tr>
<td>2019</td>
<td>230,000</td>
<td>2029</td>
<td>345,000</td>
</tr>
<tr>
<td>2020</td>
<td>240,000</td>
<td>2030</td>
<td>355,000</td>
</tr>
<tr>
<td>2021</td>
<td>245,000</td>
<td>2031</td>
<td>365,000</td>
</tr>
<tr>
<td>2022</td>
<td>260,000</td>
<td>2032</td>
<td>385,000</td>
</tr>
<tr>
<td>2023</td>
<td>270,000</td>
<td>2033</td>
<td>400,000</td>
</tr>
<tr>
<td>2024</td>
<td>275,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adjustment of Bonds; Modification or Clarification Prior to Opening of Bids. The Trust may, in its sole discretion and prior to the opening of bids, (i) adjust the Preliminary Principal Amount of one or more maturities of either Series of Bonds and, correspondingly, the aggregate Preliminary Principal Amount of any such Series of Bonds, and/or (ii) modify or clarify any other term hereof, by issuing a notification of the adjusted amounts, modification or clarification via Thomson Municipal Market Monitor (or some other municipal news wire service recognized by the municipal securities industry, “Thomson News Service”) no later than 9:30 a.m., New Jersey time, on the Bid Date.

Adjustment of Bonds After Award. The Trust may, in its sole discretion, after the receipt and opening of bids and award of either Series of the Bonds, adjust the Preliminary Principal Amount of one or more maturities of either Series of Bonds and, correspondingly, the aggregate Preliminary Principal Amount of either Series of Bonds (as adjusted, the “Final Principal Amounts”); provided, however, that such adjustment to one or more maturities of the Preliminary Principal Amount of either Series of Bonds, in the aggregate, shall not exceed 10% of the aggregate Preliminary Principal Amount of such Series of Bonds at the time of the opening of bids.

For each Series of Bonds, the dollar amount bid by the Successful Bidder shall be adjusted to reflect any adjustments in the aggregate principal amount of such Series of Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and the original issue premium or discount, but will not change the per bond underwriter's discount as calculated from the bid and the Initial Public Offering Prices (as hereinafter defined) required to be delivered to the Trust as stated herein. The Trust shall notify the Successful Bidder of the Final Principal Amounts and the resulting adjusted purchase prices no later than 5:00 p.m., New Jersey time, on the day of the sale and award of each Series of Bonds.

Bid Specifications. To be considered, any Proposal for Bonds submitted must be unconditional and must conform with all of the terms stated in this Notice of Sale.

For each Series of Bonds, a bidder must set forth the purchase price of such Series of the Bonds in the manner set forth in PARITY. The purchase price for such Series of the Bonds must equal or exceed the following respective amounts: (i) $57,760,500* for the Series 2014A Bonds, which is 105%* of the aggregate Preliminary Principal Amount thereof and (ii) $5,712,000* for the Series 2014B Bonds, which is 105%* of the aggregate Preliminary Principal Amount thereof. The interest rate specified with respect to each maturity of each Series of the Bonds may not be greater than 6.00% per annum.

*Subject to adjustment in accordance with this Notice of Sale.
The Trust will, if applicable, adjust the purchase prices of the respective Successful Bidders in accordance with the prior section of this Notice of Sale entitled “Adjustment of Bonds After Award”. THE SUCCESSFUL BIDDERS MAY NOT WITHDRAW OR MODIFY THEIR RESPECTIVE BIDS ONCE SUBMITTED TO THE TRUST FOR ANY REASON, INCLUDING, WITHOUT LIMITATION, AS A RESULT OF ANY INCREASE OR DECREASE IN THE FINAL PRINCIPAL AMOUNTS AND THE AGGREGATE PURCHASE PRICES OF THE RESPECTIVE SERIES OF BONDS.

Bidders for each Series of Bonds may specify one interest rate for all of the Bonds of such Series or may specify different interest rates for each maturity of such Series of Bonds; provided, that the same interest rate applies to all Bonds of any such Series maturing in the same year. All interest rates on the Bonds of a given Series must be set forth by the bidders in PARITY in a multiple of 1/8th or 1/20th of one per centum per annum.

Bidders for each Series of the Bonds shall be deemed to have designated all Final Principal Amounts with respect to such Series of Bonds as serial bond maturities unless such bidder designates one or more term bond maturities as follows (the “Term Bond Option”). With respect to the Series 2014A Bonds, if the Term Bond Option is selected with respect to one or more term bond maturities, the Final Principal Amounts with respect to the Series 2014A Bonds due on September 1 in any year from 2025 through and including 2033 may be designated by a bidder as consecutive sinking fund installments due on the designated years with the balance due on the respective term bond maturity date with respect to such term bond. Bidders selecting the Term Bond Option for the Series 2014A Bonds shall adhere to the instructions set forth in PARITY with respect to their selection (within the parameters set forth herein) of the Term Bond Option.

With respect to the Series 2014B Bonds, if the Term Bond Option is selected with respect to one or more term bond maturities, the Final Principal Amounts with respect to the Series 2014B Bonds due on September 1 in any year from 2025 through and including 2033 may be designated by a bidder as consecutive sinking fund installments due on the designated years with the balance due on the respective term bond maturity date with respect to such term bond. Bidders selecting the Term Bond Option for the Series 2014B Bonds shall adhere to the instructions set forth in PARITY with respect to their selection (within the parameters set forth herein) of the Term Bond Option.

Each term bond maturity designated using the instructions set forth in PARITY shall include all consecutive sinking fund installments therefor and shall be equal in aggregate Preliminary Principal Amount to, and with amortization requirements corresponding to, the corresponding consecutive serial bond maturities with respect to such Series as set forth in PARITY.

Bidders with respect to each Series of the Bonds shall adhere to the instructions set forth in PARITY with respect to the submission of the prices at which each such Successful Bidder intends that each stated maturity of its applicable Series of Bonds shall initially be offered to the public, which for this purpose excludes bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers (the “Initial Public Offering Prices”). The Successful Bidders with respect to the Series 2014A bonds and the Series 2014B Bonds, respectively, shall make a bona fide initial public offering of their applicable Series of Bonds at the Initial Public Offering Prices set forth in PARITY with respect to such Series.

As a condition of submitting a bid for the Series 2014B Bonds only, each bidder therefor agrees that the difference between the aggregate Initial Public Offering Price of the Series 2014B Bonds and the price to be paid by the bidder to purchase the Series 2014B Bonds will not exceed one and seven-tenths percent (1.7%) of the Initial Public Offering Price of the Series 2014B Bonds.

All Proposals for Bonds must be submitted in accordance with the procedures set forth herein under the heading “Procedures Regarding Electronic Bidding”. ALL BIDS MUST BE SUBMITTED BY AN AUTHORIZED REPRESENTATIVE OF THE BIDDER. The Trust reserves the right to (i) reject, at its sole discretion, any or all Proposals for Bonds for any reason, including, without limitation, (a) the prevailing
interest rate and other market conditions that exist on the Bid Date and (b) any non-compliance with or non-
responsiveness to the terms hereof; (ii) so far as permitted by law and pursuant to its sole discretion, (a) waive
any irregularities or informalities in Proposals for Bonds and/or (b) make any adjustments to Proposals for
Bonds as provided in this Notice of Sale, and (iii) generally take such action, at its sole discretion, as it deems
will best serve the interests of the Trust, the Borrowers, the Financing Programs or any other public interest.
All bids that are submitted electronically via PARITY pursuant to the procedures described below shall be
debated to incorporate by reference all of the terms and conditions of this Notice of Sale.

The Trust further reserves the right to postpone or reschedule, from time to time, the Bid Date and/or
the Closing Date for one or both Series of the Bonds. ANY SUCH POSTPONEMENT OR RESCHEDULING
WILL BE ANNOUNCED VIA THOMSON NEWS SERVICE NO LATER THAN THE FOLLOWING TIMES ON THE LAST ANNOUNCED DATE FOR THE RECEIPT OF BIDS: (I) IF PRIOR TO THE RECEIPT OF BIDS, 9:30 A.M., NEW JERSEY TIME, OR (II) IF THERE IS NO SUCCESSFUL BIDDER FOR ONE OR BOTH SERIES OF THE BONDS FOR ANY REASON IN ACCORDANCE WITH THE TERMS OF THIS NOTICE OF SALE, 5:00 P.M., NEW JERSEY TIME. Any such alternative Bid Date and the time at which bids are next due will be announced via Thomson News Service at least forty-eight (48) hours, exclusive of weekends and State holidays, before bids are next due. On any such alternative Bid Date, bidders shall submit Proposals for Bonds in conformity with all of the requirements hereof, other than the date of submission and sale and any further or contrary provisions set forth in such announcement or in any adjustment, modification or clarification announcement referred to above, which further or contrary provisions must be complied with by all bidders.

All properly completed Proposals for Bonds must be submitted in the manner described below under
the heading “Procedures Regarding Electronic Bidding”.

Good Faith Deposit. Each bidder submitting a Proposal for Bonds must provide, no later than 10:15
a.m., New Jersey time, on the Bid Date, in the respective amounts of $1,100,000 for the Series 2014A Bonds
and $110,000 for the Series 2014B Bonds, (i) a certified or cashier’s check payable to the order of the “New
Jersey Environmental Infrastructure Trust”, (ii) a financial surety bond guaranteeing payment to the Trust, or
(iii) an electronic transfer of immediately available federal funds in accordance with the wiring instructions
contained below (such check, financial surety bond or electronic transfer of funds being hereinafter referred to
as the “Deposit”).

If a check is used in satisfaction of the Deposit requirement, it must be received at the administrative
offices of the Trust, located at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648
(the “Administrative Offices”) (via any available means, including, without limitation, overnight delivery and
hand delivery) no later than 10:15 a.m., New Jersey time, on the Bid Date, and MUST BE ACCOMPANIED
BY detailed address information for the return thereof in the event that such bidder is not the Successful
Bidder.

If a financial surety bond is used in satisfaction of the Deposit requirement, it must be issued by an
insurance company acceptable to the Trust and licensed to issue such a financial surety bond in New Jersey,
and must be in form and substance acceptable to the Trust. Such financial surety bond must be submitted to
the Trust no later than 10:15 a.m., New Jersey time, on the Bid Date. The financial surety bond must identify
each bidder whose Deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder
utilizing a financial surety bond, such Successful Bidder is required to submit its Deposit to the Trust in the
form of a wire transfer of immediately available federal funds no later than 12:00 noon, New Jersey time, on
the next business day following the award. If such Deposit is not received by that time, the financial surety
bond may be drawn on by the Trust to satisfy the Deposit requirement.

A bidder providing the Deposit via electronic transfer of immediately available federal funds shall
electronically transmit such funds to U.S. Bank National Association, the Trustee with respect to the Bonds
pursuant to the respective Resolution (as hereinafter defined), as follows:
With respect to the Series 2014A Bonds:

RBK: U.S. Bank N.A.
ABA: 091000022
BNF: USBANK PA & NJ CT WIRE CLRG
Beneficiary Account Number: 173103781816
Beneficiary Account Address: 777 E. Wisconsin Avenue
Milwaukee, WI 53202-5300
Ref.: NJEIT 2014A Good Faith Deposit
Contact: Stephanie Roche
Phone: 973-898-7160
Email: stephanie.roche@usbank.com

With respect to the Series 2014B Bonds:

RBK: U.S. Bank N.A.
ABA: 091000022
BNF: USBANK PA & NJ CT WIRE CLRG
Beneficiary Account Number: 173103781816
Beneficiary Account Address: 777 E. Wisconsin Avenue
Milwaukee, WI 53202-5300
Ref.: NJEIT 2014B Good Faith Deposit
Contact: Stephanie Roche
Phone: 973-898-7160
Email: stephanie.roche@usbank.com

If an electronic transfer of funds is used in satisfaction of the Deposit requirement, such funds must be received in the account identified in the third preceding paragraph no later than 10:15 a.m., New Jersey time, on the Bid Date, and MUST BE ACCOMPANIED BY detailed wiring instructions for the return thereof in the event that such bidder is not the Successful Bidder. In order to facilitate confirmation by the Trust of its receipt of a Deposit provided via an electronic transfer of funds prior to the deadline for receipt thereof, the Trust encourages bidders to transmit the "fed reference number" with respect to such bidder's electronic transfer of funds by means of an electronic mail sent to stephanie.roche@usbank.com and lskaltman@njeit.org, as soon as such reference number is received by the bidder. Please note that the contact information (i.e., telephone and e-mail address) with respect to the Trustee, set forth in this paragraph and the wiring instructions set forth above, should be used by bidders only for the purposes of (i) confirming receipt of electronic transfers of funds and (ii) the transmittal of instructions for the return of such electronic transfers of funds in the event that such bidder is not the Successful Bidder, and should NOT be used for questions or other information relating to this Notice of Sale or the Bonds.

THE TRUST IS NOT RESPONSIBLE FOR A CHECK, WIRE TRANSFER OR FINANCIAL SURETY BOND THAT IS TRANSMITTED BY, OR ON BEHALF OF, A BIDDER BUT IS NOT RECEIVED AT OR PRIOR TO 10:15 A.M., NEW JERSEY TIME, ON THE BID DATE, AND EACH BIDDER IS SOLELY RESPONSIBLE FOR CONFIRMING RECEIPT OF ITS DEPOSIT AT OR PRIOR TO SUCH TIME. PLEASE NOTE THAT THE DEADLINE FOR RECEIPT OF THE DEPOSIT, 10:15 A.M., NEW JERSEY TIME, IS 30 MINUTES PRIOR TO THE DEADLINE FOR THE RECEIPT OF PROPOSALS FOR BONDS WITH RESPECT TO THE SERIES 2014A BONDS, AND ONE HOUR PRIOR TO THE
DEADLINE FOR THE RECEIPT OF PROPOSALS FOR BONDS WITH RESPECT TO THE SERIES 2014B BONDS.

The checks and electronic transfers of funds of unsuccessful bidders for each Series of Bonds will be returned following the award of each Series of Bonds. Checks will be returned via overnight mail to be sent by the Trust to the applicable unsuccessful bidders on the Bid Date, provided that detailed address information for the return thereof (as required above) has been provided to the Trust by such unsuccessful bidders. It is the intent of the Trust that electronic transfers of funds will be returned via wire transfer to the unsuccessful bidders not later than 6:00 p.m., New Jersey time, on the Bid Date, provided that wiring instructions (as required above) have been provided by such unsuccessful bidders at the time of transmission of the Deposit to the Trust. Neither the Trust nor the Trustee shall bear any liability for any delay that may occur in the return to an unsuccessful bidder of a Deposit check or an electronic transfer of the Deposit.

Interest earned on the Deposit provided by each Successful Bidder will be credited to the Trust for its general corporate purposes and will not be available to the Successful Bidders for the applicable Series of Bonds for any purpose thereof.

Concurrently with the delivery of and payment for each Series of Bonds on the Closing Date, the principal amount of the Deposit for the applicable Series of Bonds will be applied as partial payment for such applicable Series of Bonds. In the event that the Trust shall fail to deliver any Series of Bonds on the Closing Date, or if the Trust shall be unable to satisfy the conditions to the obligations of a Successful Bidder to pay for and accept delivery of the applicable Series of Bonds, or if such obligations shall be terminated for any of the reasons specified herein, the principal amount of such Deposit shall immediately be returned to the respective Successful Bidder as and for full liquidated damages and in full release of any claims that such Successful Bidder might have against the Trust on account of the Trust’s failure to deliver the applicable Series of Bonds. In the event a Successful Bidder shall fail (other than for the reasons permitted pursuant to this Notice of Sale) to accept delivery of and pay for the applicable Series of Bonds on the Closing Date, the Deposit shall be retained by the Trust as and for full liquidated damages and in full release of any claims that the Trust might have against such Successful Bidder on account of such Successful Bidder’s failure to accept delivery of and pay for the applicable Series of Bonds.

Procedures Regarding Electronic Bidding. Bids shall be submitted electronically via PARITY in accordance with this Notice of Sale until 10:45 a.m. for the Series 2014A Bonds and 11:15 a.m. for the Series 2014B Bonds, New Jersey time, on the Bid Date, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact the Trust’s financial advisor (using the contact information set forth in the final paragraph of this Notice of Sale) or may contact i-Deal at (212) 849-5024. By submitting a bid for a Series of the Bonds via PARITY, the bidder further agrees that:

1. If such bid submitted is accepted by the Trust, the terms of this Notice of Sale and the information that is electronically transmitted through PARITY shall form a contract, and the Successful Bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the Trust, and the Trust shall have no liability whatsoever based upon any bidder’s use of PARITY, including, but not limited to, any failure by PARITY to correctly or timely transmit either information provided by the Trust or information provided by the bidder.

3. Once the bids are communicated electronically via PARITY to the Trust as described above, each bid will constitute a Proposal for Bonds and shall be deemed to be an irrevocable offer to purchase the applicable Series of Bonds on the terms provided in this Notice of Sale. For purposes of submitting Proposals for Bonds, the time as maintained on PARITY shall constitute the official time.
4. Each bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid electronically in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Trust nor PARITY shall have any duty or obligation to provide or assure access to PARITY for any bidder, and neither the Trust nor PARITY shall be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The Trust is using PARITY as a communication mechanism, and not as the Trust’s agent, to conduct the bidding for the Bonds. By using PARITY, each bidder agrees to hold the Trust harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

Basis of Award. Unless all Proposals for Bonds applicable to a particular Series of Bonds are rejected, such Series of Bonds will be awarded by the Executive Director no later than approximately 1:00 p.m., New Jersey time, on the Bid Date at the Administrative Offices, with each Series of Bonds being awarded to the bidder offering such interest rate or rates and purchase price that will produce the lowest true interest cost to the Trust over the life of each of the Series 2014A Bonds (the “Series 2014A Successful Bidder”) and the Series 2014B Bonds (the “Series 2014B Successful Bidder”; the Series 2014A Successful Bidder and the Series 2014B Successful Bidder shall be referred to collectively herein as the “Successful Bidders”), respectively.

True interest cost for each Series of Bonds (expressed as an annual interest rate) will be that annual interest rate being twice that factor or discount rate, compounded semiannually, that, when applied against each semiannual debt service payment (interest or principal and/or sinking fund installment and interest, as due) for such Series of Bonds, will equate the sum of such discounted semiannual payments to the bid price. The true interest cost for each Series of Bonds shall be calculated from the dated date (May 21, 2014, unless changed as described herein) and shall be based upon (i) the Preliminary Principal Amounts thereof and (ii) the purchase price set forth in the respective Proposal for Bonds. In the case of a tie for a Series of Bonds, the Trust may select the Successful Bidder applicable to such Series of Bonds by lot. It is requested that each Proposal for Bonds be accompanied by a computation of such true interest cost to the Trust under the terms of such Proposal for Bonds in accordance with the instructions set forth in PARITY, but such computation is not to be considered as part of such Proposal for Bonds.

Authority and Purpose. The Bonds will be issued in accordance with the provisions of (i) the “New Jersey Environmental Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”) (N.J.S.A. 58:11B-1 et seq.), as the same has been, and from time to time may be, amended and supplemented (the “Act”), (ii) all other applicable law, and (iii) (a) with respect to the Series 2014A Bonds, a bond resolution adopted by the Trust on April 10, 2014 and entitled “Environmental Infrastructure Bond Resolution, Series 2014A” (the “Series 2014A Resolution”) and (b) with respect to the Series 2014B Bonds, a bond resolution adopted by the Trust on April 10, 2014 and entitled “Environmental Infrastructure Bond Resolution, Series 2014B” (the “Series 2014B Resolution”; the Series 2014A Resolution and the Series 2014B Resolution shall be referred to herein collectively as the “Resolutions”).

The Bonds will be issued for the purpose of making loans to finance or refinance a portion of the costs of the environmental infrastructure facility projects of the respective Series 2014 Borrowers (the “Projects”).

Security for Series 2014A Bonds. The Series 2014A Bonds will be special and limited obligations of the Trust, secured by the Series 2014A Trust Estate, as well as moneys on deposit in the Master Program Trust Account.

Security for Series 2014B Bonds. The Series 2014B Bonds will be special and limited obligations of the Trust, secured by the Series 2014B Trust Estate, as well as moneys on deposit in the Master Program Trust Account.
Optional Redemption. The Bonds maturing on or prior to September 1, 2024 shall not be subject to redemption prior to their respective stated maturity dates. The Bonds maturing on or after September 1, 2025 shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, 2024, at the option of the Trust, upon the terms set forth in the respective Resolutions, either in whole on any date, or in part, by lot within a maturity or maturities determined by the Trust, on any Interest Payment Date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.

Possibility of Mandatory Sinking Fund Redemption. To the extent the Series 2014A Successful Bidder and/or the Series 2014B Successful Bidder chooses the Term Bond Option, the term bond maturity or maturities of the Series 2014A Bonds and/or the Series 2014B Bonds, as the case may be, will be subject to mandatory sinking fund redemption prior to the stated maturity or maturities thereof through selection by lot by the Trustee under the applicable Resolution, upon the giving of notice as provided in such Resolution, by payment of sinking fund installments on September 1 in the years designated by such respective Successful Bidders in their respective Proposals for Bonds as sinking fund installment due dates, at a redemption price equal to 100% of the principal amount of any such sinking fund installment plus interest accrued to the redemption date.

Notice of Redemption. For so long as DTC or its nominee, Cede & Co., is the registered owner of each Series of Bonds, notice of redemption, if any, will be mailed to DTC or its nominee as the registered owner thereof. For so long as the Bonds are registered in book-entry-only form, the Trust will not be responsible for mailing notices of redemption to anyone other than DTC or its nominee.

Delivery and Payment. It is expected that delivery of the Bonds in definitive form will take place at the offices of DTC in New York, New York, against payment of the purchase price thereof (less the Deposit) in IMMEDIATELY AVAILABLE FEDERAL FUNDS at the offices of McCarter & English, LLP, bond counsel to the Trust (“Bond Counsel”), in Newark, New Jersey, on or about May 21, 2014 (or the subsequent date for issuance of the Bonds set forth in any postponement notice, the “Closing Date”).

Reoffering Price Certification. Simultaneously with or before delivery of each of the Series 2014A bonds and the Series 2014B Bonds, the respective Successful Bidder therefor must furnish to the Trust a certificate acceptable to Bond Counsel to the effect that (i) such Successful Bidder has made a bona fide offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) of each stated maturity of its respective Series of Bonds at the respective Initial Public Offering Prices set forth in its Proposal for Bonds, (ii) ten percent (10%) or more in par amount of each stated maturity of its respective Series of Bonds was first sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at the Initial Public Offering Price for such stated maturity of such Series set forth in its Proposal for Bonds, and (iii) at the time such Successful Bidder submitted its bid and the related Initial Public Offering Prices set forth therein, based upon then prevailing market conditions, the fair market value of each stated maturity of its respective Series of Bonds was the Initial Public Offering Price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) set forth in its Proposal for Bonds, for such stated maturity of its respective Series of Bonds. Such certificate shall also state (i) such other information reasonably requested by Bond Counsel to assist in establishing the issue price (within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended) of the applicable Series of Bonds and (ii) that such certificate is made to the best knowledge, information and belief of the Successful Bidder. In addition, the Series 2014B Successful Bidder shall also certify that, based upon the Initial Public Offering Prices set forth in its Proposal for Bonds, the difference between the aggregate Initial Public Offering Price of the Series 2014B Bonds and the price paid by the Successful Bidder to purchase the Series 2014B Bonds does not exceed one and seven-tenths percent (1.7%) of the aggregate Initial Public Offering Price of the Series 2014B Bonds.

Closing. Each Successful Bidder agrees to provide to the Trust, within twenty-five (25) days after the Closing Date, a report showing the allocation of its applicable Series of Bonds received by each member of the
underwriting syndicate therefor, and that portion of the underwriting fee allocable to each member of the underwriting syndicate.

The Series 2014A Successful Bidder may, at its option, refuse to accept the Series 2014A Bonds if subsequent to the Bid Date but prior to the Closing Date any income tax law of the United States of America or of the State shall be enacted that shall, in the opinion of Bond Counsel, materially adversely affect (i) the excludability of interest on the Series 2014A Bonds from gross income of the owners thereof for federal income tax purposes or (ii) the other material tax consequences attributable to the receipt of interest on the Series 2014A Bonds described in the “TAX MATTERS” section of the Preliminary Official Statement. The Series 2014B Successful Bidder may, at its option, refuse to accept the Series 2014B Bonds if subsequent to the Bid Date but prior to the Closing Date any income tax law of the United States of America or of the State shall be enacted that shall, in the opinion of Bond Counsel, materially adversely affect (i) the excludability of interest on the Series 2014B Bonds from gross income of the owners thereof for federal income tax purposes, subject to the alternative minimum tax, or (ii) the other material tax consequences attributable to the receipt of interest on the Series 2014B Bonds described in the “TAX MATTERS” section of the Preliminary Official Statement. In each such case, (i) the Trust shall have no obligation hereunder to deliver such Series of Bonds on the Closing Date, (ii) the Trust shall not be liable to any person for any damages arising out of such non-delivery of such Series of Bonds, and (iii) the principal amount of the Deposit will be returned to the respective Successful Bidder who, in turn, will be relieved of its contractual obligations arising from the Trust’s acceptance of its applicable Proposal for Bonds.

The obligations hereunder to deliver and to accept delivery of and pay for a Series of Bonds are conditioned upon the availability and the delivery on the Closing Date of a copy of the approving opinion of Bond Counsel applicable to such Series of Bonds, including one copy thereof manually signed, substantially in the form set forth in the Preliminary Official Statement, which opinion shall be furnished to the Successful Bidder applicable to such Series of Bonds without cost.

The obligations hereunder to deliver and to accept delivery of and pay for a Series of Bonds shall be further conditioned upon the successful completion of certain escrow procedures and the availability and the delivery to the Successful Bidder applicable to such Series of Bonds on the Closing Date of (i) certificates in form and substance satisfactory to Bond Counsel evidencing the proper execution and delivery of such Series of Bonds and receipt of payment therefor, (ii) a certificate of the Attorney General of the State of New Jersey, General Counsel to the Trust, dated the Closing Date, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of such Series of Bonds or, in lieu of such statement, statements by the Attorney General that, in his opinion, the issues raised in any such pending or threatened litigation, insofar as they affect the validity of such Series of Bonds, are without substance or that the contention of any plaintiffs therein that affects the validity of such Series of Bonds is without merit, (iii) one manually signed copy of the Official Statement (as hereinafter defined), (iv) a supplemental opinion of Bond Counsel, including one copy thereof manually signed, to the effect that the Official Statement (other than the information contained under the caption “THE SERIES 2014 BONDS – Book-Entry-Only System” and in Appendices B, C and D thereto, the descriptions of the Projects, and all financial and statistical data contained therein, as to which no opinion need be expressed), as of its date and on the Closing Date, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, and (v) a certificate of the Chairman, Vice-Chairman or Executive Director of the Trust stating that (a) the Official Statement (other than the information contained under the caption “THE SERIES 2014 BONDS – Book-Entry-Only System” and in Appendices A and G thereto, as to which no statement need be made), as of its date, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, and (b) there has been no material adverse change in the financial condition and affairs of the Trust during the period from the date of the Official Statement to and including the Closing Date that was not disclosed in or contemplated by the Official Statement.
Preliminary and Final Official Statements. The Trust, by accepting the Proposal for Bonds submitted by the Successful Bidder applicable to a Series of Bonds, (i) certifies to such Successful Bidder, as of the date of acceptance of such Proposal for Bonds, that the Preliminary Official Statement furnished to it prior to the date of such acceptance has been “deemed final” as of its date by the Trust within the meaning and for the purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended and supplemented (“Rule 15c2-12”), except for certain omissions permitted thereunder and except for changes permitted thereby and by other applicable law, (ii) agrees to provide such Successful Bidder, in order to permit such Successful Bidder to comply with Rule 15c2-12, (a) with respect to the Successful Bidder for the Series 2014A Bonds, up to 100 copies, and (b) with respect to the Successful Bidder for the Series 2014B Bonds, up to 50 copies, of the final Official Statement, substantially in the form of the Preliminary Official Statement with such changes thereto and insertions therein as shall be necessary to comply with Rule 15c2-12 (the “Official Statement”), to be disseminated by the Trust in connection with the sale by the Trust of the Bonds within the period of time allowed under Rule 15c2-12 for the dissemination thereof, at the sole cost and expense of the Trust, with any additional copies that such Successful Bidder shall reasonably request to be provided at the sole cost and expense of such Successful Bidder, and (iii) undertakes, through the adoption of the Resolutions and through the execution and delivery of the Trust Continuing Disclosure Agreement for each Series 2014 Financing Program, to deliver certain information relating to each such Series 2014 Financing Program as a material “obligated person” (within the meaning and for the purposes of Rule 15c2-12). Each Successful Bidder, by executing its Proposal for Bonds, (i) agrees to provide (a) one copy of the final Official Statement to at least one “nationally recognized municipal securities information repository” within the meaning of Rule 15c2-12 (a “Repository”; as of the date hereof, the sole Repository designated by the SEC in accordance with Rule 15c2-12 is the Electronic Municipal Market Access facility for municipal securities disclosure of the Municipal Securities Rulemaking Board (the “MSRB”)) upon receipt of the final Official Statement from the Trust, and (b) one electronic copy of the final Official Statement (with any required forms) to the MSRB or its designee pursuant to MSRB Rule G-32 no later than ten business days following the date of acceptance of its bid, and (ii) each Successful Bidder further agrees to comply with all other applicable provisions of Rule 15c2-12 and MSRB Rule G-32. Each Successful Bidder shall notify the Trust of (i) the date that is the “end of the underwriting period” relating to its respective Series of Bonds within the meaning of Rule 15c2-12, and (ii) the date on which the final Official Statement is filed with a Repository and the MSRB or its designee. Copies of the Preliminary Official Statement may be obtained at the offices listed in the last paragraph of this Notice of Sale.

Compliance with L. 2005, c. 51. By submitting a Proposal for Bonds to the Trust, each bidder represents and warrants for itself and the other underwriters participating in the bid (together with the bidder, the “Syndicate Members”), as follows: (i) each Syndicate Member has submitted to the State all information, certifications and disclosure statements required pursuant to (a) L. 2005, c. 51, enacted March 22, 2005, which codified Executive Order No. 134 (McGreevey 2004) (“L. 2005, c. 51”), and (b) Executive Order No. 117 (Corzine 2008) (“Executive Order 117”), and each Syndicate Member is in full compliance with the provisions of L. 2005, c. 51 and Executive Order 117; (ii) all information, certifications and disclosure statements previously submitted to the State pursuant to L. 2005, c. 51 and Executive Order 117 by each Syndicate Member are true and correct as of the date hereof; (iii) the representations and warranties set forth in clauses (i) and (ii) hereof have been made by the bidder with full knowledge that the Trust, in engaging the Successful Bidder in connection with the award of the Bonds, shall rely upon the truth thereof and the truth of the information, certifications and disclosure statements referred to therein; and (iv) on the Closing Date, the Successful Bidder shall, on behalf of itself and the Syndicate Members, execute and deliver to the Trust a certificate to the effect that the representations and warranties set forth in clauses (i), (ii) and (iii) hereof are true and correct as of the Closing Date.

For helpful information concerning L. 2005, c. 51 and Executive Order 117 (including the full text thereof), please reference http://www.state.nj.us/treasury/purchase/execorder134.shtml.

Compliance with L. 2005, c. 271 Reporting Requirements. Each bidder is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election
Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if the bidder’s bid is accepted by the Trust and the bidder enters into contracts or agreements with public entities in the State, such as the Trust, and receives compensation or fees in excess of $50,000 or more in the aggregate from public entities in the State, such as the Trust, in a calendar year. It is the responsibility of the Successful Bidder to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at http://www.elec.state.nj.us.

Compliance with L. 2012, c. 25 - Certification of Non-Involvement in Prohibited Activities in Iran. Pursuant to N.J.S.A. 52:32-58 (L 2012, c. 25, Section 4), each Successful Bidder will be required to file with the Trust, on or prior to the Closing Date, a certification (the form of which is available at http://www.state.nj.us/treasury/purchase/forms/StandardRFPForms.pdf) that neither such Successful Bidder, nor any of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is listed on the New Jersey Department of the Treasury’s List of Persons or Entities Engaging in Prohibited Investment Activities in Iran (a copy of which is available at http://www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf). If a bidder is unable to so certify, the bidder shall provide a detailed and precise description of such activities. If any bidder has not previously submitted the certification required pursuant to L. 2012, c. 25 or has any questions concerning the requirements of L. 2012, c. 25, such bidder should contact the Executive Director of the Trust at (609) 219-8600. The certification must be submitted to the Trust, Attention: Executive Director, via facsimile to (609) 219-8620 or via electronic mail to dzimmer@njeit.org. Compliance with the certification requirement set forth in this paragraph is a material term and condition pursuant to this Notice of Sale and is binding upon each bidder.

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The foregoing is not intended as a complete summary of all of the provisions of the Resolutions and the Preliminary Official Statement. For further information with respect thereto, reference is hereby made to the Resolutions and the Preliminary Official Statement.

Copies of the Preliminary Official Statement and this Notice of Sale may be obtained from the Executive Director at the Administrative Offices (telephone (609) 219-8600) or from Public Financial Management, Inc., financial advisor to the Trust, 2 Logan Square, Suite 1600, Philadelphia, Pennsylvania 19103, Attention: Geoffrey Stewart or Daniel Berger (telephone (215) 567-6100).

Warren H. Victor
Chairman
New Jersey Environmental Infrastructure Trust

Dated: April 29, 2014
NEW ISSUE – FULL BOOK ENTRY

In the opinion of McCarter & English, LLP, Bond Counsel to the Trust, assuming compliance by the Trust and the Series 2014A Borrowers with certain tax covenants described herein, under existing law interest on the Series 2014A Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In the case of certain corporate holders of the Series 2014A Bonds, interest on the Series 2014A Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2014A Bonds in “adjusted current earnings” of certain corporations. (See “TAX MATTERS” herein.)

Bond Counsel is further of the opinion that, assuming compliance by the Trust and the Series 2014B Borrowers with certain tax covenants described herein, under existing law, interest on the Series 2014B Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, except as to interest on any Series 2014B Bonds for any period during which such Series 2014B Bonds are held by a person who is either a “substantial user” (within the meaning of Section 147(a) of the Code) of a Series 2014B Project financed or refinanced with the proceeds of the Series 2014B Bonds or a “related person” of such “substantial user.” Interest on the Series 2014B Bonds, however, is an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax imposed on individuals and corporations. (See “TAX MATTERS” herein.)

Bond Counsel is further of the opinion that, under existing law, interest on the Series 2014 Bonds and net gains from the sale thereof are exempt from the tax imposed by the New Jersey Gross Income Tax Act. (See “TAX MATTERS” herein.)

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

[LOGO]

$55,010,000≈56,545,000 Environmental Infrastructure Bonds, Series 2014A
$5,440,000≈5,490,000 Environmental Infrastructure Bonds, Series 2014B (AMT)

Dated: Date of Delivery

Due: September 1, as shown on the inside cover hereof

The $55,010,000≈56,545,000 aggregate principal amount of “Environmental Infrastructure Bonds, Series 2014A” (the “Series 2014A Bonds”), and the $5,440,000≈5,490,000 aggregate principal amount of “Environmental Infrastructure Bonds, Series 2014B (AMT)” (the “Series 2014B Bonds”); the Series 2014A Bonds and the Series 2014B Bonds shall be referred to collectively herein as the “Series 2014 Bonds”) will be issued by the New Jersey Environmental Infrastructure Trust (the “Trust”). The principal of the Series 2014 Bonds will be payable on September 1 in the years shown on the inside cover hereof, upon presentation and surrender thereof at the corporate trust office of U.S. Bank National Association, Morristown, New Jersey, or any successors thereto, as trustee and paying agent. Interest on the Series 2014 Bonds will be payable on September 1, 2014 and semiannually thereafter on March 1 and September 1 of each year to and including their respective dates of maturity. Each series of the Series 2014 Bonds will be issued as fully registered bonds in the denomination of one bond per aggregate principal amount of the stated maturity thereof, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), an automated depository for securities and clearing house for securities transactions. Purchases of beneficial interests in each series of the Series 2014 Bonds will be made in book-entry-only form (without certificates) in denominations of $5,000 or any whole multiple thereof. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2014 Bonds, payments of the principal and redemption premium, if any, of and interest on the Series 2014 Bonds will be made directly to Cede & Co., which will remit such payments to the DTC participants, which in turn will remit such payments to the beneficial owners of the Series 2014 Bonds. (See “THE SERIES 2014 BONDS” herein.)
The Series 2014 Bonds will be subject to optional redemption and may be subject to mandatory sinking fund redemption, all as more fully described herein. (See “THE SERIES 2014 BONDS – Optional Redemption” and “THE SERIES 2014 BONDS – Possibility of Mandatory Sinking Fund Redemption” herein.)

The Series 2014 Bonds are being issued pursuant to (i) the Trust Act (as defined herein), (ii) all other applicable law and (iii) the respective Series 2014 Bond Resolutions (as defined herein), for the purpose of making loans (respectively, the “Series 2014A Trust Loans” and the “Series 2014B Trust Loan”) to the borrowers identified in Appendix B hereto (respectively, the “Series 2014A Borrowers” and the “Series 2014B Borrowers”) which Series 2014A Borrowers and Series 2014B Borrowers include some or all of the following types of borrowers: counties; municipalities; regional, county and municipal utilities; sewage and improvement authorities, commissions and joint meetings; State authorities; State colleges; non-profit corporations; and private water supply companies; all located in the State of New Jersey (the “State”), to finance or refinance a portion of the costs of the environmental infrastructure facilities of, respectively, the Series 2014A Borrowers and the Series 2014B Borrowers.

Although the Series 2014A Bonds and the Series 2014B Bonds will be issued simultaneously by the Trust, the Series 2014A Bonds and the Series 2014B Bonds will be issued pursuant to separate bond resolutions and will be separately secured, except for their respective interests in the Master Program Trust Account (as described herein) held by U.S. Bank Trust National Association, New York, New York, as master program trustee (the “Master Program Trustee”), in accordance with the terms of the Master Program Trust Agreement (as described herein). (See “SECURITY FOR THE SERIES 2014 BONDS” herein.)

The Series 2014A Bonds will be special obligations of the Trust, secured primarily by (i) the repayments by the Series 2014A Borrowers of the Series 2014A Trust Loans, (ii) with respect to certain authority Series 2014A Borrowers only, moneys on deposit in the Series 2014A Borrower Debt Service Reserve Funds (as described herein) and moneys payable pursuant to the Series 2014A Borrower Service Agreements (as described herein) and the Series 2014A Government Borrower Guaranties (as described herein), (iii) certain State-aid payable to the municipal and county Series 2014A Borrowers and certain municipal and county Series 2014A Participants (as described herein) and the Series 2014A Government Borrower Guarantors (as described herein), (iv) the repayments by the Series 2014A Borrowers of the companion Series 2014A Fund Loans (as described herein), and (v) certain of the repayments by those Borrowers (as described herein) in the Coverage Providing Financing Programs (as described herein) that have received Coverage Providing Fund Loans (as described herein) that are held by the Master Program Trustee in accordance with the terms of the Master Program Trust Agreement. See “SECURITY FOR THE SERIES 2014 BONDS” herein.

The Series 2014B Bonds will be special obligations of the Trust, secured primarily by (i) the repayment by the Series 2014B Borrowers of the Series 2014B Trust Loans, (ii) the repayment by the Series 2014B Borrowers of the companion Series 2014B Fund Loans (as described herein), and (iii) certain of the repayments by those Borrowers in the Coverage Providing Financing Programs that have received Coverage Providing Fund Loans that are held by the Master Program Trustee in accordance with the terms of the Master Program Trust Agreement. See “SECURITY FOR THE SERIES 2014 BONDS” herein.


A detailed maturity and pricing schedule for each series of the Series 2014 Bonds is set forth on the inside cover page hereof.

Each series of the Series 2014 Bonds is offered when, as and if issued and delivered and subject to the receipt of the respective approving legal opinions of McCarter & English, LLP, Newark, New Jersey, Bond Counsel to the Trust. Certain legal matters will be passed upon for the Trust by John Jay Hoffman, Acting, Attorney General
of the State, General Counsel to the Trust. The Trust expects that each series of the Series 2014 Bonds in definitive form will be available for delivery to DTC in New York, New York, and that payment for each series of the Series 2014 Bonds will occur in Newark, New Jersey, on or about May 21, 2014.

May 7, 2014

*Preliminary, subject to change.*
# MATURITY SCHEDULE

**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

$55,010,000\# 56,545,000 Environmental Infrastructure Bonds, Series 2014A

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<th>Year</th>
<th>Principal Amount*</th>
<th>Interest Rate</th>
<th>Price or Yield</th>
<th>CUSIP</th>
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<td>105,000</td>
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| 2024 | 2,880,000         | 5.00%         | 2.30%          | 645791WR1 |      | 5,440,000         | 5,490,000     | Environmental Infrastructure Bonds, Series 2014B (AMT)

### 5,440,000\# 5,490,000 Environmental Infrastructure Bonds, Series 2014B (AMT)

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\¹ Yield calculated to first optional redemption date of September 1, 2024.

MEI 474989628 17815214 v.21
Preliminary, subject to change.
This Preliminary Official Statement is subject to correction and change. The Trust has authorized the distribution of this document to prospective purchasers and others for informational purposes only and, upon the sale of the Series 2014 Bonds, will complete and deliver an Official Statement substantially in this form. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Series 2014 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration, qualification or exemption under the securities laws of any such jurisdiction.
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OFFICIAL STATEMENT

of the

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Relating to its

$55,010,000*56,545,000 Environmental Infrastructure Bonds, Series 2014A

$5,440,000*5,490,000 Environmental Infrastructure Bonds, Series 2014B (AMT)

INTRODUCTION

This Official Statement, which includes the cover and inside cover pages hereof and the Appendices attached hereto, has been disseminated by the New Jersey Environmental Infrastructure Trust (the “Trust”) to provide certain information relating to the Trust and to the issuance, sale and delivery by the Trust of (i) its “Environmental Infrastructure Bonds, Series 2014A”, dated the date of issuance thereof, in the aggregate principal amount of $55,010,000*56,545,000 (the “Series 2014A Bonds”), and (ii) its “Environmental Infrastructure Bonds, Series 2014B (AMT)”, dated the date of issuance thereof, in the aggregate principal amount of $5,440,000*5,490,000 (the “Series 2014B Bonds”; the Series 2014A Bonds and the Series 2014B Bonds shall be referred to collectively herein as the “Series 2014 Bonds”). The Series 2014 Bonds are being issued pursuant to (i) the “New Jersey Environmental Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1983 of the State of New Jersey (N.J.S.A. 58:11B-1 et seq.), as the same has been, and may from time to time be, amended and supplemented (the “Trust Act”), and (ii) all other applicable law. In addition, (i) the Series 2014A Bonds are being issued under and pursuant to the “Environmental Infrastructure Bond Resolution, Series 2014A”, adopted by the Trust on April 10, 2014, as the same may be amended from time to time in accordance with the terms thereof (the “Series 2014A Bond Resolution”), and (ii) the Series 2014B Bonds are being issued under and pursuant to the “Environmental Infrastructure Bond Resolution, Series 2014B”, adopted by the Trust on April 10, 2014, as the same may be amended from time to time in accordance with the terms thereof (the “Series 2014B Bond Resolution”; the Series 2014A Bond Resolution and the Series 2014B Bond Resolution shall be referred to collectively herein as the “Series 2014 Bond Resolutions”).

Due to the complexity of the Financing Programs (as defined herein), investors considering a purchase of the Series 2014 Bonds may wish to refer to the glossary containing the defined terms used in the body of this Official Statement, which glossary is set forth as Appendix H hereto.

The Series 2014 Bonds will be subject to optional redemption as more fully described herein. (See “THE SERIES 2014 BONDS – Optional Redemption” herein.) The Series 2014 Bonds may be subject to mandatory sinking fund redemption as more fully described herein. (See “THE SERIES 2014 BONDS – Possibility of Mandatory Sinking Fund Redemption” herein.)

The Series 2014 Bonds are being issued to:

(i) finance, together with certain moneys of the State of New Jersey (the “State”) and moneys of certain of the Series 2014 Borrowers (as defined herein), various System (as defined herein) improvements, as part of the Series 2014 Financing Program (as defined herein);

(ii) finance, for certain Series 2014 Borrowers, capitalized interest on the Series 2014 Bonds; and

(iii) fund a portion of the costs of issuance relating to the Series 2014 Bonds.

* Preliminary, subject to change.
No Debt Service Reserve Fund for the Series 2014 Bonds

The Series 2014A Bond Resolution does not require the funding of a Debt Service Reserve Fund as security for the Series 2014A Bonds. The Series 2014B Bond Resolution does not require the funding of a Debt Service Reserve Fund as security for the Series 2014B Bonds.

The New Jersey CAP Law

Sections 45.2 and 45.3 of Chapter 4 of Title 40A of the New Jersey Statutes (the “CAP Law”) limit municipal expenditures. The CAP Law has been in effect since 1977 and has been amended several times. The CAP Law, as amended, generally limits increases of municipal appropriations over the previous year to no more than three and one-half percent (3.5%) or the index rate (the annual percentage increase in the U.S. Department of Commerce Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the year preceding the current year), whichever is less. However, certain expenditures, including, without limitation, (i) expenditures for debt service (which includes the Borrower Bonds), (ii) expenditures pursuant to any contract with respect to use, service or provision of any project, facility or public improvement for water or sewerage or payments on account of debt service therefore (which includes amounts required to be paid by a Participant to a Special Obligation Borrower pursuant to a Borrower Service Agreement and necessary for a Special Obligation Borrower to meet in a timely fashion its debt service obligations with respect to its Borrower Bonds), (iii) expenditures mandated by federal or State law (after the effective date of the January 1, 1991 amendments) and (iv) capital expenditures, are excluded from the calculation of the permissible annual increase in municipal appropriations prescribed under the CAP Law.

Additionally, legislation constituting P.L. 2007, c. 62, effective on April 3, 2007, as amended by P.L. 2010, c. 44, effective on July 13, 2010, further amending the CAP Law, imposes a 2% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include, without limitation, increases required to be raised for debt service as defined by law (which includes the Borrower Bonds), extraordinary costs directly related to a declared emergency, and certain increases in pension contributions and health care costs over 2%. Voters may approve increases over 2% not otherwise permitted, by a vote of a majority of the voters voting on a public question. These amendments to the CAP Law do not limit the obligation of a Local Unit Borrower to levy ad valorem taxes upon all taxable real property within the Local Unit Borrower to pay debt service on its bonds or notes (which includes its Borrower Bonds). In addition, pursuant to Local Finance Notice Number 2011-36, issued on December 12, 2011 by the Division of Local Government Services in the New Jersey Department of Community Affairs (the “DLGS”), the DLGS has made a determination that the amounts required to be paid by a Participant to a Special Obligation Borrower pursuant to a Borrower Service Agreement and necessary for a Special Obligation Borrower to meet its debt service obligations with respect to its Borrower Bonds may be considered the equivalent of municipal debt service and shall be treated as such for all purposes pursuant to the CAP Law.

SOURCES AND USES OF FUNDS FOR THE SERIES 2014A BONDS

<table>
<thead>
<tr>
<th>Sources:</th>
<th>Uses:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate Principal Amount of Series 2014A Bonds</td>
<td>Project Fund Deposits&lt;br&gt;(1)</td>
</tr>
<tr>
<td>Net Original Issue Premium</td>
<td>Capitalized Interest&lt;br&gt;(2)</td>
</tr>
<tr>
<td>TOTAL SOURCES OF FUNDS</td>
<td>Costs of Issuance</td>
</tr>
<tr>
<td></td>
<td>Underwriter’s Discount</td>
</tr>
<tr>
<td></td>
<td>TOTAL USES OF FUNDS</td>
</tr>
</tbody>
</table>

(1) Project costs are to be funded in part by the Series 2014A Trust Loan for each Project. A portion of the Allowable Costs of each Project will be funded by the State with a Series 2014A Fund Loan. (See "THE FINANCING PROGRAM - Trust Loans" and "THE FINANCING PROGRAM - Fund Loans").

(2) Interest is capitalized with respect to certain Projects financed with a portion of the Series 2014A Bonds for a period ending no later than the next ensuing Interest Payment Date after the scheduled completion of such Projects, but in any event no later than three years after the date of issuance of the Series 2014A Bonds.
SOURCES AND USES OF FUNDS FOR THE SERIES 2014B BONDS

Sources:
Aggregate Principal Amount of Series 2014B Bonds ........................................... $5,490,000.00
Net Original Issue Premium ......................................................................................... 352,742.25
TOTAL SOURCES OF FUNDS ................................................................................... $5,842,742.25

Uses:
Project Fund Deposit(1) ................................................................................................. $5,751,430.00
Costs of Issuance .......................................................................................................... 11,981.75
Underwriter's Discount ............................................................................................... 79,330.50
TOTAL USES OF FUNDS .......................................................................................... $5,842,742.25

(1) Project costs are to be funded in part by the Series 2014B Trust Loan for each Project. A portion of the Allowable Costs of each Project will be funded by the State with a Series 2014B Fund Loan. (See "THE FINANCING PROGRAM - Trust Loans" and "THE FINANCING PROGRAM - Fund Loans").

SECONDARY MARKET DISCLOSURE

In connection with the provisions of Rule 15c2-12, as amended, supplemented and officially interpreted from time to time, or any successor provision thereto, promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Trust has determined that, with regard to each respective series of the Series 2014 Bonds, it is not an "obligated person", as defined therein.

The Trust has determined in the Series 2014A Bond Resolution that those Borrowers (from any Financing Program) whose remaining Fund Loan repayments in all Coverage Providing Financing Programs, when aggregated with their Series 2014A Trust Loan repayments, if any, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs and (ii) the aggregate of all remaining Series 2014A Trust Loan repayments from all Series 2014A Borrowers, shall be considered material "obligated persons" within the meaning and for the purposes of Rule 15c2-12 for the Series 2014A Bonds. The Trust has determined in the Series 2014B Bond Resolution that those Borrowers (from any Financing Program) whose remaining Fund Loan repayments in all Coverage Providing Financing Programs, when aggregated with their Series 2014B Trust Loan repayments, if any, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs and (ii) the aggregate of all remaining Series 2014B Trust Loan repayments from all Series 2014B Borrowers, shall be considered material "obligated persons" within the meaning and for the purposes of Rule 15c2-12 for the Series 2014B Bonds. To the extent any such Borrowers have entered into Borrower Service Agreements with Participants and any such Participants have entered into Indirect Borrower Service Agreements with Indirect Participants whereby Annual Charges or Indirect Annual Charges, as the case may be, materially secure such Loan repayments of any such Borrower, any such Participants and Indirect Participants also shall be considered material "obligated persons" within the meaning and for the purposes of Rule 15c2-12 for the respective series of the Series 2014 Bonds.

Each Series 2014 Borrower has covenanted in its Series 2014 Trust Loan Agreement, for the benefit of the respective Series 2014 Bondholders, to enter into a Borrower Continuing Disclosure Agreement (the "Borrower Continuing Disclosure Agreement") should it meet, at any time during the term of its respective Series 2014 Trust Loan, the material "obligated persons" test referred to above. Such Borrower Continuing Disclosure Agreement obligates any such Series 2014 Borrower to provide (i) certain financial information and operating data relating to such Series 2014 Borrower and the Participants and Indirect Participants, if any, of such Series 2014 Borrower, including, without limitation, audited financial statements, within 225 days after the end of each fiscal year for which any such Borrower Continuing Disclosure Agreement is in effect (the "Annual Report"), and (ii) notice to the Trust of the occurrence of certain enumerated events. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events is summarized in Appendix F hereto ~ "SUMMARY OF THE SERIES 2014 TRUST LOAN AGREEMENTS (INCLUDING THE CONTINUING DISCLOSURE AGREEMENTS FOR THE SERIES 2014 BORROWERS), THE SERIES 2014 FUND LOAN AGREEMENTS AND THE OTHER COVERAGE PROVIDING FUND LOAN AGREEMENTS."
2014B Trust Loan Agreement, including a covenant not to take any action or omit to take any action which would result in the loss of the exclusion of the interest on the Series 2014B Bonds from gross income for purposes of federal income taxation as that status is governed by Section 103(a) of the Code.

Assuming continuing compliance by the Trust with the provisions and procedures set forth in the Series 2014B Tax Certificate and assuming the Series 2014B Borrowers observes their covenants with respect to continuing compliance with the Code, Bond Counsel is of the opinion that, for federal income tax purposes, under existing law, interest on the Series 2014B Bonds is excluded from gross income of the owners thereof pursuant to Section 103 of the Code, except as to interest on any Series 2014B Bond for any period during which such Series 2014B Bond is held by a person who is either a “substantial user” (within the meaning of Section 147(a) of the Code) of the facilities financed or refinanced with the proceeds of the Series 2014B Bonds or a “related person” of such “substantial user.”

INTEREST ON THE SERIES 2014B BONDS, HOWEVER, IS AN ITEM OF TAX PREFERENCE UNDER SECTION 57 OF THE CODE FOR PURPOSES OF COMPUTING ALTERNATIVE MINIMUM TAX IMPOSED UPON INDIVIDUALS AND CORPORATIONS.

**Tax Treatment of Original Issue Discount**

The respective initial public offering prices of the Series 2014A Bonds maturing on September 1 in each of the years 2029 through and including 2033 and the Series 2014B Bonds maturing on September 1 in each of the years 2026 through and including 2031 (collectively, the “Series 2014 Discount Bonds”) are less than the respective principal amounts payable on such Series 2014 Discount Bonds at maturity. The difference between the initial public offering price at which a substantial amount of each of the Series 2014 Discount Bonds was sold and the principal amount payable at maturity of such Series 2014 Discount Bond constitutes original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Series 2014 Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the applicable series of the Series 2014 Bonds.

Pursuant to Section 1288 of the Code, original issue discount on the Series 2014 Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Series 2014 Discount Bond acquired at the initial public offering price of such Series 2014 Discount Bond will be increased by the amount of such accrued discount.

Owners of the Series 2014 Discount Bonds should consult their personal tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly allocable with respect to the Series 2014 Discount Bonds and the tax accounting treatment of accrued interest.

**Additional Federal Income Tax Consequences Relating to the Series 2014 Bonds**

Prospective purchasers of the Series 2014 Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of tax-exempt obligations, such as the Series 2014 Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations. Prospective purchasers of the Series 2014 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Series 2014 Bonds from gross income pursuant to Section 103 of the Code, and interest on the Series 2014A Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Series 2014 Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2014 Bonds.
MISCELLANEOUS

Information contained in this Official Statement with respect to the Series 2014 Financing Program and the Trust and copies of the related Bond Resolutions, Trust Loan Agreements, Fund Loan Agreements, Master Program Trust Agreement, Borrower Bond Resolutions, Borrower Service Agreements, Borrower Guaranties, Private Borrower Letters of Credit, Private Borrower Mortgages and Continuing Disclosure Agreements may be obtained from David E. Zimmer, Executive Director, New Jersey Environmental Infrastructure Trust at the Trust Offices. This Official Statement is submitted in connection with the sale and issuance of each series of the Series 2014 Bonds and may not be reproduced or used in whole or in part for any other purpose. This Official Statement has been duly authorized and approved by the Trust and duly executed and delivered on its behalf by the official signing below. Any statements in this Official Statement involving matters of opinion, projections or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. The agreements of the Trust are fully set forth in the respective Series 2014 Bond Resolutions in accordance with the Trust Act, and this Official Statement is not to be construed as a contract or agreement between the Trust and the purchasers or owners of any of the Series 2014 Bonds.

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

By: /s/ Warren H. Victor
    Warren H. Victor
    Chairman

DATED: May 7, 2014
New Jersey Environmental Infrastructure Trust  
Series 2014A  
Bidding Results

<table>
<thead>
<tr>
<th>Firm</th>
<th>Bid Amount</th>
<th>TIC</th>
</tr>
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<tbody>
<tr>
<td>Citigroup Global Markets Inc.</td>
<td>58,795,674.20</td>
<td>2.799544%</td>
</tr>
<tr>
<td>Bank of America Merrill Lynch</td>
<td>59,309,086.53</td>
<td>2.816204%</td>
</tr>
<tr>
<td>Morgan Stanley &amp; Co</td>
<td>60,128,471.94</td>
<td>2.852874%</td>
</tr>
<tr>
<td>Janney Montgomery Scott</td>
<td>59,886,415.93</td>
<td>2.866350%</td>
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<tr>
<td>J.P. Morgan Securities</td>
<td>61,098,825.76</td>
<td>2.886470%</td>
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<table>
<thead>
<tr>
<th>Bidder:</th>
<th>Bid Price:</th>
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<tr>
<td>Citigroup Global Markets Inc.</td>
<td>58,795,674.20</td>
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<td>Bank of America Merrill Lynch</td>
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<th>Maturity</th>
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<th>Coupon</th>
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<td>09/01/32</td>
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<td>09/01/33</td>
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<td>3.750%</td>
<td>3.750%</td>
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</table>
## New Jersey Environmental Infrastructure Trust
### Series 2014B
#### Bidding Results

<table>
<thead>
<tr>
<th>Firm</th>
<th>Bid Amount</th>
<th>TIC</th>
</tr>
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<tbody>
<tr>
<td>Citigroup Global Markets Inc.</td>
<td>5,712,060.85</td>
<td>3.338138%</td>
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<tr>
<td>Janney Montgomery Scott</td>
<td>5,720,707.45</td>
<td>3.383398%</td>
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<td>Hutchinson, Shockey, Erley &amp; Co.</td>
<td>5,712,000.00</td>
<td>3.483366%</td>
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<tr>
<td>J.P. Morgan Securities</td>
<td>6,016,647.95</td>
<td>3.598979%</td>
</tr>
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### Bidder:
- **Bidder 1**: Citigroup Global Markets Inc.
- **Bidder 2**: Janney Montgomery Scott
- **Bidder 3**: Hutchinson, Shockey, Erley & Co.
- **Bidder 4**: J.P. Morgan Securities

### Bid Price:
- **Bidder 1**: 5,712,060.85
- **Bidder 2**: 5,720,707.45
- **Bidder 3**: 5,712,000.00
- **Bidder 4**: 6,016,647.95

### Maturity	Principle	Coupon	Coupon	Coupon	Coupon
- 09/01/15 | 200,000.00 | 4.000% | 2.000% | 6.000% | 2.000%
- 09/01/16 | 205,000.00 | 4.000% | 3.000% | 6.000% | 4.000%
- 09/01/17 | 210,000.00 | 4.000% | 3.000% | 6.000% | 2.000%
- 09/01/18 | 225,000.00 | 4.000% | 4.000% | 5.000% | 2.000%
- 09/01/19 | 230,000.00 | 4.000% | 4.000% | 5.000% | 3.000%
- 09/01/20 | 240,000.00 | 5.000% | 5.000% | 5.500% | 3.000%
- 09/01/21 | 245,000.00 | 5.000% | 5.000% | 5.000% | 5.000%
- 09/01/22 | 260,000.00 | 5.000% | 5.000% | 5.000% | 5.000%
- 09/01/23 | 270,000.00 | 5.000% | 5.000% | 5.000% | 5.000%
- 09/01/24 | 275,000.00 | 5.000% | 5.000% | 3.000% | 5.000%
- 09/01/25 | 290,000.00 | 4.000% | 3.000% | 3.000% | 5.000%
- 09/01/26 | 300,000.00 | 3.000% | 3.125% | 3.100% | 5.000%
- 09/01/27 | 315,000.00 | 3.250% | 3.250% | 4.000% | 5.000%
- 09/01/28 | 325,000.00 | 3.250% | 3.375% | 4.000% | 5.000%
- 09/01/29 | 345,000.00 | 3.500% | 4.000% | 4.000% | 5.000%
- 09/01/30 | 355,000.00 | 3.500% | 4.000% | 4.000% | 5.000%
- 09/01/31 | 365,000.00 | 3.500% | 4.000% | 4.000% | 5.000%
- 09/01/32 | 385,000.00 | 4.000% | 4.000% | 3.750% | 5.000%
- 09/01/33 | 400,000.00 | 4.000% | 4.000% | 3.750% | 5.000%
SUMMARY NOTICE OF SALE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

$55,010,000* ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2014A

$5,440,000* ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2014B (AMT)

NOTICE IS HEREBY GIVEN that the Executive Director (or any other Authorized Officer as such term is defined in the hereinafter defined Resolutions) (the “Executive Director”) of the New Jersey Environmental Infrastructure Trust (the “Trust”) will receive, until 10:45 a.m. for the Series 2014A Bonds (as hereinafter defined) and 11:15 a.m. for the Series 2014B Bonds (as hereinafter defined), New Jersey time, on Wednesday, May 7, 2014 (unless postponed in accordance with the terms hereof, the “Bid Date”), electronically via the PARITY Electronic Bid Submission System (“PARITY”) of i-Deal LLC (“i-Deal”), in a manner described below:

(i) “Proposals for Series 2014A Bonds” for the purchase of all of the Trust's $55,010,000* aggregate principal amount of “Environmental Infrastructure Bonds, Series 2014A” (the “Series 2014A Bonds”); and

(ii) “Proposals for Series 2014B Bonds” for the purchase of all of the Trust's $5,440,000* aggregate principal amount of “Environmental Infrastructure Bonds, Series 2014B (AMT)” (the “Series 2014B Bonds”).

The Proposals for Series 2014A Bonds and the Proposals for Series 2014B Bonds shall be referred to collectively herein as the “Proposals for Bonds” and each a “Proposal for Bonds”. Each of the Series 2014A Bonds and the Series 2014B Bonds is a “Series” and shall be referred to collectively herein as the “Bonds.”

Such bids will be publicly opened at such times at the offices of the Trust, located at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648. The Trust will not consider Proposals for Bonds received by any means other than as set forth under the caption “Procedures Regarding Electronic Bidding” in the full Notice of Sale, or after 10:45 a.m. for the Series 2014A Bonds and 11:15 a.m. for the Series 2014B Bonds, New Jersey time (or the time for receipt of bids set forth in any postponement notice), on the Bid Date. All Proposals for Bonds must conform with every term, requirement and condition set forth in the full Notice of Sale, dated April 29, 2014 (the “full Notice of Sale”), of which this is a summary, subject to the Trust’s rights set forth therein.

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the full Notice of Sale or in the Preliminary Official Statement, dated April 29, 2014, disseminated by the Trust in connection with the sale of the Bonds (the “Preliminary Official Statement”).

ALTHOUGH THE TWO SERIES OF BONDS WILL BE ISSUED SIMULTANEOUSLY BY THE TRUST, THE TWO SERIES OF BONDS WILL BE ISSUED PURSUANT TO SEPARATE BOND RESOLUTIONS AND WILL BE SEPARATELY SECURED, EXCEPT FOR THEIR RESPECTIVE INTERESTS IN THE MASTER PROGRAM TRUST ACCOUNT HELD BY THE MASTER PROGRAM TRUSTEE. BIDDERS MAY CHOOSE, AT THE BIDDERS' SOLE DISCRETION, TO BID FOR THE PURCHASE OF ONE OR BOTH SERIES OF BONDS. AWARD BY THE TRUST OF ONE SERIES OF BONDS IS NOT CONDITIONED UPON THE AWARD BY THE TRUST OF THE OTHER SERIES OF BONDS.

The Bonds will be dated the date of issuance thereof and will bear interest from such dated date payable semiannually on March 1 and September 1, beginning September 1, 2014, at the rate or rates per annum specified by the Successful Bidders in compliance with the terms of the full Notice of Sale. The Bonds will mature in the Preliminary Principal Amounts, as identified in the full Notice of Sale and subject to

*Subject to adjustment in accordance with the full Notice of Sale.
adjustment in accordance with the terms of the full Notice of Sale. The Bonds will be subject to optional redemption and mandatory sinking fund redemption prior to their stated maturities to the extent provided in the full Notice of Sale.

Each Series of Bonds shall be awarded to the bidder offering such interest rate or rates and purchase price that will produce the lowest true interest cost to the Trust over the life of such Series of Bonds. The Trust will provide to the respective Successful Bidders the approving legal opinion of McCarter & English, LLP, Newark, New Jersey, bond counsel to the Trust, with respect to each Series of Bonds.

The Trust may, in its sole discretion and prior to the opening of bids, (i) adjust the Preliminary Principal Amount of one or more maturities of any Series of Bonds and, correspondingly, the aggregate Preliminary Principal Amount of any such Series of Bonds, and/or (ii) modify or clarify any other term hereof or of the full Notice of Sale, by issuing a notification of the adjusted amounts, modification or clarification via Thomson Municipal Market Monitor (or some other municipal news wire service recognized by the municipal securities industry, “Thomson News Service”) no later than 9:45 a.m., New Jersey time, on the Bid Date.

The Trust reserves the right to postpone or reschedule, from time to time, the Bid Date and/or the Closing Date for one or more Series of Bonds. ANY SUCH POSTPONEMENT OR RESCHEDULING WILL BE ANNOUNCED VIA THOMSON NEWS SERVICE NO LATER THAN THE FOLLOWING TIMES ON THE LAST ANNOUNCED DATE FOR THE RECEIPT OF BIDS: (I) IF PRIOR TO THE RECEIPT OF BIDS, 9:45 A.M., NEW JERSEY TIME, OR (II) IF THERE IS NO SUCCESSFUL BIDDER FOR ONE OR MORE SERIES FOR ANY REASON IN ACCORDANCE WITH THE TERMS OF THE FULL NOTICE OF SALE, 5:00 P.M., NEW JERSEY TIME. Any such alternative Bid Date and the time at which bids are next due will be announced via Thomson News Service at least forty-eight (48) hours, exclusive of weekends and State holidays, before bids are next due. On any such alternative Bid Date, bidders shall submit Proposals for Bonds in conformity with all of the requirements of the full Notice of Sale, other than the date of submission and sale and any further or contrary provisions set forth in such announcement or in any adjustment, modification or clarification announcement referred to above, which further or contrary provisions must be complied with by all bidders.

The foregoing is a summary of the full Notice of Sale. To the extent the provisions of the full Notice of Sale are in any fashion different from this summary or from the instructions or directions from PARITY, the terms of the full Notice of Sale shall control the award of each Series of the Bonds. For further information with respect to the Bonds and the sale thereof, reference is hereby made to the full Notice of Sale and the Preliminary Official Statement. For further information about PARITY, potential bidders may contact the Trust, the Trust’s financial advisor (using the contact information set forth below), or i-Deal at (212) 849-5024. Copies of the full Notice of Sale and the Preliminary Official Statement may be obtained from the Executive Director of the Trust at the Administrative Offices (telephone (609) 219-8600) or from Public Financial Management, Inc., financial advisor to the Trust, 2 Logan Square, Suite 1600, Philadelphia, Pennsylvania 19103, Attention: Geoffrey Stewart or Daniel Berger (telephone (215) 567-6100).

Warren H. Victor  
Chairman  
New Jersey Environmental Infrastructure Trust

Dated: April 29, 2014
NOTICE OF SALE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

$55,010,000* ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2014A

$5,440,000* ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2014B (AMT)

NOTICE IS HEREBY GIVEN that the Executive Director (or any other Authorized Officer as such term is defined in the hereinafter defined Resolutions) (the “Executive Director”) of the New Jersey Environmental Infrastructure Trust (the “Trust”) will receive, until 10:45 a.m. for the Series 2014A Bonds (as hereinafter defined) and 11:15 a.m. for the Series 2014B Bonds (as hereinafter defined), New Jersey time, on Wednesday, May 7, 2014 (unless postponed in accordance with the terms hereof, the “Bid Date”), electronically via the PARITY Electronic Bid Submission System (“PARITY”) of i-Deal LLC (“i-Deal”), in a manner described below:

(i) “Proposals for Series 2014A Bonds” for the purchase of all of the Trust's $55,010,000* aggregate principal amount of “Environmental Infrastructure Bonds, Series 2014A” (the “Series 2014A Bonds”); and

(ii) “Proposals for Series 2014B Bonds” for the purchase of all of the Trust's $5,440,000* aggregate principal amount of “Environmental Infrastructure Bonds, Series 2014B (AMT)” (the “Series 2014B Bonds”).

The Proposals for Series 2014A Bonds and the Proposals for Series 2014B Bonds shall be referred to collectively herein as the “Proposals for Bonds” and each a “Proposal for Bonds”. Each of the Series 2014A Bonds and the Series 2014B Bonds is a “Series” and shall be referred to collectively herein as the “Bonds”.

The Trust will not consider Proposals for Bonds received by any means other than as set forth under the caption “Procedures Regarding Electronic Bidding” herein, or after 10:45 a.m. for the Series 2014A Bonds and 11:15 a.m. for the Series 2014B Bonds, New Jersey time (or the time for receipt of bids set forth in any postponement notice), on the Bid Date. All Proposals for Bonds must conform with every term, requirement and condition set forth in this Notice of Sale, including, without limitation, the provision of the Deposit (as hereinafter defined), subject to the Trust's rights set forth herein.

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Preliminary Official Statement, dated April 29, 2014, disseminated by the Trust in connection with the sale of the Bonds (the “Preliminary Official Statement”).

ALTHOUGH THE TWO SERIES OF BONDS WILL BE ISSUED SIMULTANEOUSLY BY THE TRUST, THE TWO SERIES OF BONDS WILL BE ISSUED PURSUANT TO SEPARATE BOND RESOLUTIONS AND WILL BE SEPARATELY SECURED, EXCEPT FOR THEIR RESPECTIVE INTERESTS IN THE MASTER PROGRAM TRUST ACCOUNT HELD BY THE MASTER PROGRAM TRUSTEE. BIDDERS MAY CHOOSE, AT THE BIDDERS' SOLE DISCRETION, TO BID FOR THE PURCHASE OF ONE OR BOTH SERIES OF BONDS. AWARD BY THE TRUST OF ONE SERIES OF BONDS IS NOT CONDITIONED UPON THE AWARD BY THE TRUST OF THE OTHER SERIES OF BONDS.

Persons considering a purchase of either Series of the Bonds should read (i) the Preliminary Official Statement in its entirety, including, without limitation, the cover and the inside cover thereof and the appendices thereto, and (ii) this Notice of Sale in its entirety, including, without limitation, the requirements herein under the headings “Compliance with L. 2005, c. 51”, “Compliance with L. 2005, c. 271 Reporting

*Subject to adjustment in accordance with this Notice of Sale.
Requirement” and “Compliance with L. 2012, c. 25 - Certification of Non-Involvement in Prohibited Activities in Iran”.

The Bonds. Each Series of the Bonds will be dated the date of issuance thereof and will bear interest from such dated date, payable semiannually on March 1 and September 1, beginning September 1, 2014, at the rate or rates per annum specified in the respective Proposals for Bonds of the respective Successful Bidders (as hereinafter defined) thereafter until maturity (stated or otherwise). Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months, and will be payable in lawful money of the United States of America.

The Bonds will be issued initially as registered bonds in book-entry-only form. For so long as The Depository Trust Company, New York, New York (“DTC”), or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly by wire transfer to Cede & Co. Disbursement of such payments to the DTC participants is the responsibility of DTC, and further disbursement of such payments from the DTC participants to the beneficial owners of the Bonds is the responsibility of the DTC participants.

Each Series of Bonds will be issued as fully registered bonds in the denomination of one bond per aggregate principal amount of the stated maturity thereof and registered in the name of DTC or its nominee, Cede & Co. DTC will act as securities depository for the Bonds. For so long as the Bonds are registered in book-entry-only form, purchases of the Bonds will be made in book-entry-only form (without certificates) in principal amounts of $5,000 or any whole multiple thereof. It shall be the obligation of the Successful Bidders to furnish, not less than seven (7) days prior to the Closing Date (as hereinafter defined), (i) to DTC, an underwriters’ questionnaire, and (ii) to the Trust, the CUSIP numbers for the respective Series of Bonds.

Amortization. The Bonds will mature on September 1 of the following years and, subject to adjustment in accordance with the terms hereof, in the following “Preliminary Principal Amounts”:

<table>
<thead>
<tr>
<th>September 1</th>
<th>Preliminary Principal Amount ($)</th>
<th>September 1</th>
<th>Preliminary Principal Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$1,475,000</td>
<td>2025</td>
<td>$2,995,000</td>
</tr>
<tr>
<td>2016</td>
<td>1,850,000</td>
<td>2026</td>
<td>3,120,000</td>
</tr>
<tr>
<td>2017</td>
<td>2,195,000</td>
<td>2027</td>
<td>3,225,000</td>
</tr>
<tr>
<td>2018</td>
<td>2,250,000</td>
<td>2028</td>
<td>3,345,000</td>
</tr>
<tr>
<td>2019</td>
<td>2,355,000</td>
<td>2029</td>
<td>3,500,000</td>
</tr>
<tr>
<td>2020</td>
<td>2,435,000</td>
<td>2030</td>
<td>3,635,000</td>
</tr>
<tr>
<td>2021</td>
<td>2,550,000</td>
<td>2031</td>
<td>3,780,000</td>
</tr>
<tr>
<td>2022</td>
<td>2,665,000</td>
<td>2032</td>
<td>3,925,000</td>
</tr>
<tr>
<td>2023</td>
<td>2,765,000</td>
<td>2033</td>
<td>4,065,000</td>
</tr>
<tr>
<td>2024</td>
<td>2,880,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Subject to adjustment in accordance with this Notice of Sale.
$5,440,000* aggregate Preliminary Principal Amount of Series 2014B Bonds

<table>
<thead>
<tr>
<th>September 1</th>
<th>Preliminary Principal Amount ($)</th>
<th>September 1</th>
<th>Preliminary Principal Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$200,000</td>
<td>2025</td>
<td>$290,000</td>
</tr>
<tr>
<td>2016</td>
<td>205,000</td>
<td>2026</td>
<td>300,000</td>
</tr>
<tr>
<td>2017</td>
<td>210,000</td>
<td>2027</td>
<td>315,000</td>
</tr>
<tr>
<td>2018</td>
<td>225,000</td>
<td>2028</td>
<td>325,000</td>
</tr>
<tr>
<td>2019</td>
<td>230,000</td>
<td>2029</td>
<td>345,000</td>
</tr>
<tr>
<td>2020</td>
<td>240,000</td>
<td>2030</td>
<td>355,000</td>
</tr>
<tr>
<td>2021</td>
<td>245,000</td>
<td>2031</td>
<td>365,000</td>
</tr>
<tr>
<td>2022</td>
<td>260,000</td>
<td>2032</td>
<td>385,000</td>
</tr>
<tr>
<td>2023</td>
<td>270,000</td>
<td>2033</td>
<td>400,000</td>
</tr>
<tr>
<td>2024</td>
<td>275,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adjustment of Bonds; Modification or Clarification Prior to Opening of Bids. The Trust may, in its sole discretion and prior to the opening of bids, (i) adjust the Preliminary Principal Amount of one or more maturities of either Series of Bonds and, correspondingly, the aggregate Preliminary Principal Amount of any such Series of Bonds, and/or (ii) modify or clarify any other term hereof, by issuing a notification of the adjusted amounts, modification or clarification via Thomson Municipal Market Monitor (or some other municipal news wire service recognized by the municipal securities industry, “Thomson News Service”) no later than 9:30 a.m., New Jersey time, on the Bid Date.

Adjustment of Bonds After Award. The Trust may, in its sole discretion, after the receipt and opening of bids and award of either Series of the Bonds, adjust the Preliminary Principal Amount of one or more maturities of either Series of Bonds and, correspondingly, the aggregate Preliminary Principal Amount of either Series of Bonds (as adjusted, the “Final Principal Amounts”); provided, however, that such adjustment to one or more maturities of the Preliminary Principal Amount of either Series of Bonds, in the aggregate, shall not exceed 10% of the aggregate Preliminary Principal Amount of such Series of Bonds at the time of the opening of bids.

For each Series of Bonds, the dollar amount bid by the Successful Bidder shall be adjusted to reflect any adjustments in the aggregate principal amount of such Series of Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and the original issue premium or discount, but will not change the per bond underwriter's discount as calculated from the bid and the Initial Public Offering Prices (as hereinafter defined) required to be delivered to the Trust as stated herein. The Trust shall notify the Successful Bidder of the Final Principal Amounts and the resulting adjusted purchase prices no later than 5:00 p.m., New Jersey time, on the day of the sale and award of each Series of Bonds.

Bid Specifications. To be considered, any Proposal for Bonds submitted must be unconditional and must conform with all of the terms stated in this Notice of Sale.

For each Series of Bonds, a bidder must set forth the purchase price of such Series of the Bonds in the manner set forth in PARITY. The purchase price for such Series of the Bonds must equal or exceed the following respective amounts: (i) $57,760,500* for the Series 2014A Bonds, which is 105%* of the aggregate Preliminary Principal Amount thereof and (ii) $5,712,000* for the Series 2014B Bonds, which is 105%* of the aggregate Preliminary Principal Amount thereof. The interest rate specified with respect to each maturity of each Series of the Bonds may not be greater than 6.00% per annum.

*Subject to adjustment in accordance with this Notice of Sale.
The Trust will, if applicable, adjust the purchase prices of the respective Successful Bidders in accordance with the prior section of this Notice of Sale entitled “Adjustment of Bonds After Award”. THE SUCCESSFUL BIDDERS MAY NOT WITHDRAW OR MODIFY THEIR RESPECTIVE BIDS ONCE SUBMITTED TO THE TRUST FOR ANY REASON, INCLUDING, WITHOUT LIMITATION, AS A RESULT OF ANY INCREASE OR DECREASE IN THE FINAL PRINCIPAL AMOUNTS AND THE AGGREGATE PURCHASE PRICES OF THE RESPECTIVE SERIES OF BONDS.

Bidders for each Series of Bonds may specify one interest rate for all of the Bonds of such Series or may specify different interest rates for each maturity of such Series of Bonds; provided, that the same interest rate applies to all Bonds of any such Series maturing in the same year. All interest rates on the Bonds of a given Series must be set forth by the bidders in PARITY in a multiple of 1/8th or 1/20th of one per centum per annum.

Bidders for each Series of the Bonds shall be deemed to have designated all Final Principal Amounts with respect to such Series of Bonds as serial bond maturities unless such bidder designates one or more term bond maturities as follows (the “Term Bond Option”). With respect to the Series 2014A Bonds, if the Term Bond Option is selected with respect to one or more term bond maturities, the Final Principal Amounts with respect to the Series 2014A Bonds due on September 1 in any year from 2025 through and including 2033 may be designated by a bidder as consecutive sinking fund installments due on the designated years with the balance due on the respective term bond maturity date with respect to such term bond. Bidders selecting the Term Bond Option for the Series 2014A Bonds shall adhere to the instructions set forth in PARITY with respect to their selection (within the parameters set forth herein) of the Term Bond Option.

With respect to the Series 2014B Bonds, if the Term Bond Option is selected with respect to one or more term bond maturities, the Final Principal Amounts with respect to the Series 2014B Bonds due on September 1 in any year from 2025 through and including 2033 may be designated by a bidder as consecutive sinking fund installments due on the designated years with the balance due on the respective term bond maturity date with respect to such term bond. Bidders selecting the Term Bond Option for the Series 2014B Bonds shall adhere to the instructions set forth in PARITY with respect to their selection (within the parameters set forth herein) of the Term Bond Option.

Each term bond maturity designated using the instructions set forth in PARITY shall include all consecutive sinking fund installments therefor and shall be equal in aggregate Preliminary Principal Amount to, and with amortization requirements corresponding to, the corresponding consecutive serial bond maturities with respect to such Series as set forth in PARITY.

Bidders with respect to each Series of the Bonds shall adhere to the instructions set forth in PARITY with respect to the submission of the prices at which each such Successful Bidder intends that each stated maturity of its applicable Series of Bonds shall initially be offered to the public, which for this purpose excludes bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers (the “Initial Public Offering Prices”). The Successful Bidders with respect to the Series 2014A bonds and the Series 2014B Bonds, respectively, shall make a bona fide initial public offering of their applicable Series of Bonds at the Initial Public Offering Prices set forth in PARITY with respect to such Series.

As a condition of submitting a bid for the Series 2014B Bonds only, each bidder therefor agrees that the difference between the aggregate Initial Public Offering Price of the Series 2014B Bonds and the price to be paid by the bidder to purchase the Series 2014B Bonds will not exceed one and seven-tenths percent (1.7%) of the Initial Public Offering Price of the Series 2014B Bonds.

All Proposals for Bonds must be submitted in accordance with the procedures set forth herein under the heading “Procedures Regarding Electronic Bidding”. ALL BIDS MUST BE SUBMITTED BY AN AUTHORIZED REPRESENTATIVE OF THE BIDDER. The Trust reserves the right to (i) reject, at its sole discretion, any or all Proposals for Bonds for any reason, including, without limitation, (a) the prevailing
interest rate and other market conditions that exist on the Bid Date and (b) any non-compliance with or non-
responsiveness to the terms hereof, (ii) so far as permitted by law and pursuant to its sole discretion, (a) waive
any irregularities or informalities in Proposals for Bonds and/or (b) make any adjustments to Proposals for
Bonds as provided in this Notice of Sale, and (iii) generally take such action, at its sole discretion, as it deems
will best serve the interests of the Trust, the Borrowers, the Financing Programs or any other public interest.
All bids that are submitted electronically via PARITY pursuant to the procedures described below shall be
deemed to incorporate by reference all of the terms and conditions of this Notice of Sale.

The Trust further reserves the right to postpone or reschedule, from time to time, the Bid Date and/or
the Closing Date for one or both Series of the Bonds. ANY SUCH POSTPONEMENT OR RESCHEDULING
WILL BE ANNOUNCED VIA THOMSON NEWS SERVICE NO LATER THAN THE FOLLOWING
TIMES ON THE LAST ANNOUNCED DATE FOR THE RECEIPT OF BIDS: (I) IF PRIOR TO THE
RECEIPT OF BIDS, 9:30 A.M., NEW JERSEY TIME, OR (II) IF THERE IS NO SUCCESSFUL BIDDER
FOR ONE OR BOTH SERIES OF THE BONDS FOR ANY REASON IN ACCORDANCE WITH THE
TERMS OF THIS NOTICE OF SALE, 5:00 P.M., NEW JERSEY TIME. Any such alternative Bid Date and
the time at which bids are next due will be announced via Thomson News Service at least forty-eight (48)
hours, exclusive of weekends and State holidays, before bids are next due. On any such alternative Bid Date,
bidders shall submit Proposals for Bonds in conformity with all of the requirements hereof, other than the date
of submission and sale and any further or contrary provisions set forth in such announcement or in any
adjustment, modification or clarification announcement referred to above, which further or contrary provisions
must be complied with by all bidders.

All properly completed Proposals for Bonds must be submitted in the manner described below under
the heading “Procedures Regarding Electronic Bidding”.

**Good Faith Deposit.** Each bidder submitting a Proposal for Bonds must provide, no later than 10:15
a.m., New Jersey time, on the Bid Date, in the respective amounts of $1,100,000 for the Series 2014A Bonds
and $110,000 for the Series 2014B Bonds, (i) a certified or cashier’s check payable to the order of the “New
Jersey Environmental Infrastructure Trust”, (ii) a financial surety bond guaranteeing payment to the Trust, or
(iii) an electronic transfer of immediately available federal funds in accordance with the wiring instructions
contained below (such check, financial surety bond or electronic transfer of funds being hereinafter referred to
as the “Deposit”).

If a check is used in satisfaction of the Deposit requirement, it must be received at the administrative
offices of the Trust, located at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648
(the “Administrative Offices”) (via any available means, including, without limitation, overnight delivery and
hand delivery) no later than 10:15 a.m., New Jersey time, on the Bid Date, and MUST BE ACCOMPANIED
BY detailed address information for the return thereof in the event that such bidder is not the Successful
Bidder.

If a financial surety bond is used in satisfaction of the Deposit requirement, it must be issued by an
insurance company acceptable to the Trust and licensed to issue such a financial surety bond in New Jersey,
and must be in form and substance acceptable to the Trust. Such financial surety bond must be submitted to
the Trust no later than 10:15 a.m., New Jersey time, on the Bid Date. The financial surety bond must identify
each bidder whose Deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder
utilizing a financial surety bond, such Successful Bidder is required to submit its Deposit to the Trust in the
form of a wire transfer of immediately available federal funds no later than 12:00 noon, New Jersey time, on
the next business day following the award. If such Deposit is not received by that time, the financial surety
bond may be drawn on by the Trust to satisfy the Deposit requirement.

A bidder providing the Deposit via electronic transfer of immediately available federal funds shall
electronically transmit such funds to U.S. Bank National Association, the Trustee with respect to the Bonds
pursuant to the respective Resolution (as hereinafter defined), as follows:
With respect to the Series 2014A Bonds:

RBK: U.S. Bank N.A.
ABA: 091000022
BNF: USBANK PA & NJ CT WIRE CLRG
Beneficiary Account Number: 173103781816
Beneficiary Account Address: 777 E. Wisconsin Avenue
Milwaukee, WI  53202-5300
Ref.: NJEIT 2014A Good Faith Deposit
Contact: Stephanie Roche
Phone: 973-898-7160
Email: stephanie.roche@usbank.com

With respect to the Series 2014B Bonds:

RBK: U.S. Bank N.A.
ABA: 091000022
BNF: USBANK PA & NJ CT WIRE CLRG
Beneficiary Account Number: 173103781816
Beneficiary Account Address: 777 E. Wisconsin Avenue
Milwaukee, WI  53202-5300
Ref.: NJEIT 2014B Good Faith Deposit
Contact: Stephanie Roche
Phone: 973-898-7160
Email: stephanie.roche@usbank.com

If an electronic transfer of funds is used in satisfaction of the Deposit requirement, such funds must be received in the account identified in the third preceding paragraph no later than 10:15 a.m., New Jersey time, on the Bid Date, and MUST BE ACCOMPANIED BY detailed wiring instructions for the return thereof in the event that such bidder is not the Successful Bidder. In order to facilitate confirmation by the Trust of its receipt of a Deposit provided via an electronic transfer of funds prior to the deadline for receipt thereof, the Trust encourages bidders to transmit the "fed reference number" with respect to such bidder's electronic transfer of funds by means of an electronic mail sent to stephanie.roche@usbank.com and lskaltman@njeit.org, as soon as such reference number is received by the bidder. Please note that the contact information (i.e., telephone and e-mail address) with respect to the Trustee, set forth in this paragraph and the wiring instructions set forth above, should be used by bidders only for the purposes of (i) confirming receipt of electronic transfers of funds and (ii) the transmittal of instructions for the return of such electronic transfers of funds in the event that such bidder is not the Successful Bidder, and should NOT be used for questions or other information relating to this Notice of Sale or the Bonds.

THE TRUST IS NOT RESPONSIBLE FOR A CHECK, WIRE TRANSFER OR FINANCIAL SURETY BOND THAT IS TRANSMITTED BY, OR ON BEHALF OF, A BIDDER BUT IS NOT RECEIVED AT OR PRIOR TO 10:15 A.M., NEW JERSEY TIME, ON THE BID DATE, AND EACH BIDDER IS SOLELY RESPONSIBLE FOR CONFIRMING RECEIPT OF ITS DEPOSIT AT OR PRIOR TO SUCH TIME. PLEASE NOTE THAT THE DEADLINE FOR RECEIPT OF THE DEPOSIT, 10:15 A.M., NEW JERSEY TIME, IS 30 MINUTES PRIOR TO THE DEADLINE FOR THE RECEIPT OF PROPOSALS FOR BONDS WITH RESPECT TO THE SERIES 2014A BONDS, AND ONE HOUR PRIOR TO THE
The checks and electronic transfers of funds of unsuccessful bidders for each Series of Bonds will be returned following the award of each Series of Bonds. Checks will be returned via overnight mail to be sent by the Trust to the applicable unsuccessful bidders on the Bid Date, provided that detailed address information for the return thereof (as required above) has been provided to the Trust by such unsuccessful bidders. It is the intent of the Trust that electronic transfers of funds will be returned via wire transfer to the unsuccessful bidders not later than 6:00 p.m., New Jersey time, on the Bid Date, provided that wiring instructions (as required above) have been provided by such unsuccessful bidders at the time of transmission of the Deposit to the Trust. Neither the Trust nor the Trustee shall bear any liability for any delay that may occur in the return to an unsuccessful bidder of a Deposit check or an electronic transfer of the Deposit.

Interest earned on the Deposit provided by each Successful Bidder will be credited to the Trust for its general corporate purposes and will not be available to the Successful Bidders for the applicable Series of Bonds for any purpose thereof.

Concurrently with the delivery of and payment for each Series of Bonds on the Closing Date, the principal amount of the Deposit for the applicable Series of Bonds will be applied as partial payment for such applicable Series of Bonds. In the event that the Trust shall fail to deliver any Series of Bonds on the Closing Date, or if the Trust shall be unable to satisfy the conditions to the obligations of a Successful Bidder to pay for and accept delivery of the applicable Series of Bonds, or if such obligations shall be terminated for any of the reasons specified herein, the principal amount of such Deposit shall immediately be returned to the respective Successful Bidder as and for full liquidated damages and in full release of any claims that such Successful Bidder might have against the Trust on account of the Trust’s failure to deliver the applicable Series of Bonds. In the event a Successful Bidder shall fail (other than for the reasons permitted pursuant to this Notice of Sale) to accept delivery of and pay for the applicable Series of Bonds on the Closing Date, the Deposit shall be retained by the Trust as and for full liquidated damages and in full release of any claims that the Trust might have against such Successful Bidder on account of such Successful Bidder’s failure to accept delivery of and pay for the applicable Series of Bonds.

**Procedures Regarding Electronic Bidding.** Bids shall be submitted electronically via PARITY in accordance with this Notice of Sale until 10:45 a.m. for the Series 2014A Bonds and 11:15 a.m. for the Series 2014B Bonds, New Jersey time, on the Bid Date, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact the Trust’s financial advisor (using the contact information set forth in the final paragraph of this Notice of Sale) or may contact i-Deal at (212) 849-5024. By submitting a bid for a Series of the Bonds via PARITY, the bidder further agrees that:

1. If such bid submitted is accepted by the Trust, the terms of this Notice of Sale and the information that is electronically transmitted through PARITY shall form a contract, and the Successful Bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the Trust, and the Trust shall have no liability whatsoever based upon any bidder’s use of PARITY, including, but not limited to, any failure by PARITY to correctly or timely transmit either information provided by the Trust or information provided by the bidder.

3. Once the bids are communicated electronically via PARITY to the Trust as described above, each bid will constitute a Proposal for Bonds and shall be deemed to be an irrevocable offer to purchase the applicable Series of Bonds on the terms provided in this Notice of Sale. For purposes of submitting Proposals for Bonds, the time as maintained on PARITY shall constitute the official time.
4. Each bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid electronically in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Trust nor PARITY shall have any duty or obligation to provide or assure access to PARITY for any bidder, and neither the Trust nor PARITY shall be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The Trust is using PARITY as a communication mechanism, and not as the Trust’s agent, to conduct the bidding for the Bonds. By using PARITY, each bidder agrees to hold the Trust harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

**Basis of Award.** Unless all Proposals for Bonds applicable to a particular Series of Bonds are rejected, such Series of Bonds will be awarded by the Executive Director no later than approximately 1:00 p.m., New Jersey time, on the Bid Date at the Administrative Offices, with each Series of Bonds being awarded to the bidder offering such interest rate or rates and purchase price that will produce the lowest true interest cost to the Trust over the life of each of the Series 2014A Bonds (the “Series 2014A Successful Bidder”) and the Series 2014B Bonds (the “Series 2014B Successful Bidder”; the Series 2014A Successful Bidder and the Series 2014B Successful Bidder shall be referred to collectively herein as the “Successful Bidders”), respectively.

True interest cost for each Series of Bonds (expressed as an annual interest rate) will be that annual interest rate being twice that factor or discount rate, compounded semiannually, that, when applied against each semiannual debt service payment (interest or principal and/or sinking fund installment and interest, as due) for such Series of Bonds, will equate the sum of such discounted semiannual payments to the bid price. The true interest cost for each Series of Bonds shall be calculated from the dated date (May 21, 2014, unless changed as described herein) and shall be based upon (i) the Preliminary Principal Amounts thereof and (ii) the purchase price set forth in the respective Proposal for Bonds. In the case of a tie for a Series of Bonds, the Trust may select the Successful Bidder applicable to such Series of Bonds by lot. It is requested that each Proposal for Bonds be accompanied by a computation of such true interest cost to the Trust under the terms of such Proposal for Bonds in accordance with the instructions set forth in PARITY, but such computation is not to be considered as part of such Proposal for Bonds.

**Authority and Purpose.** The Bonds will be issued in accordance with the provisions of (i) the “New Jersey Environmental Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”) (N.J.S.A. 58:11B-1 et seq.), as the same has been, and from time to time may be, amended and supplemented (the “Act”), (ii) all other applicable law, and (iii) (a) with respect to the Series 2014A Bonds, a bond resolution adopted by the Trust on April 10, 2014 and entitled “Environmental Infrastructure Bond Resolution, Series 2014A” (the “Series 2014A Resolution”) and (b) with respect to the Series 2014B Bonds, a bond resolution adopted by the Trust on April 10, 2014 and entitled “Environmental Infrastructure Bond Resolution, Series 2014B” (the “Series 2014B Resolution”; the Series 2014A Resolution and the Series 2014B Resolution shall be referred to herein collectively as the “Resolutions”).

The Bonds will be issued for the purpose of making loans to finance or refinance a portion of the costs of the environmental infrastructure facility projects of the respective Series 2014 Borrowers (the “Projects”).

**Security for Series 2014A Bonds.** The Series 2014A Bonds will be special and limited obligations of the Trust, secured by the Series 2014A Trust Estate, as well as moneys on deposit in the Master Program Trust Account.

**Security for Series 2014B Bonds.** The Series 2014B Bonds will be special and limited obligations of the Trust, secured by the Series 2014B Trust Estate, as well as moneys on deposit in the Master Program Trust Account.
Optional Redemption. The Bonds maturing on or prior to September 1, 2024 shall not be subject to redemption prior to their respective stated maturity dates. The Bonds maturing on or after September 1, 2025 shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, 2024, at the option of the Trust, upon the terms set forth in the respective Resolutions, either in whole on any date, or in part, by lot within a maturity or maturities determined by the Trust, on any Interest Payment Date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.

Possibility of Mandatory Sinking Fund Redemption. To the extent the Series 2014A Successful Bidder and/or the Series 2014B Successful Bidder chooses the Term Bond Option, the term bond maturity or maturities of the Series 2014A Bonds and/or the Series 2014B Bonds, as the case may be, will be subject to mandatory sinking fund redemption prior to the stated maturity or maturities thereof through selection by lot by the Trustee under the applicable Resolution, upon the giving of notice as provided in such Resolution, by payment of sinking fund installments on September 1 in the years designated by such respective Successful Bidders in their respective Proposals for Bonds as sinking fund installment due dates, at a redemption price equal to 100% of the principal amount of any such sinking fund installment plus interest accrued to the redemption date.

Notice of Redemption. For so long as DTC or its nominee, Cede & Co., is the registered owner of each Series of Bonds, notice of redemption, if any, will be mailed to DTC or its nominee as the registered owner thereof. For so long as the Bonds are registered in book-entry-only form, the Trust will not be responsible for mailing notices of redemption to anyone other than DTC or its nominee.

Delivery and Payment. It is expected that delivery of the Bonds in definitive form will take place at the offices of DTC in New York, New York, against payment of the purchase price thereof (less the Deposit) in IMMEDIATELY AVAILABLE FEDERAL FUNDS at the offices of McCarter & English, LLP, bond counsel to the Trust (“Bond Counsel”), in Newark, New Jersey, on or about May 21, 2014 (or the subsequent date for issuance of the Bonds set forth in any postponement notice, the “Closing Date”).

Reoffering Price Certification. Simultaneously with or before delivery of each of the Series 2014A bonds and the Series 2014B Bonds, the respective Successful Bidder therefor must furnish to the Trust a certificate acceptable to Bond Counsel to the effect that (i) such Successful Bidder has made a bona fide offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) of each stated maturity of its respective Series of Bonds at the respective Initial Public Offering Prices set forth in its Proposal for Bonds, (ii) ten percent (10%) or more in par amount of each stated maturity of its respective Series of Bonds was first sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at the Initial Public Offering Price for such stated maturity of such Series set forth in its Proposal for Bonds, and (iii) at the time such Successful Bidder submitted its bid and the related Initial Public Offering Prices set forth therein, based upon then prevailing market conditions, the fair market value of each stated maturity of its respective Series of Bonds was the Initial Public Offering Price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) set forth in its Proposal for Bonds, for such stated maturity of its respective Series of Bonds. Such certificate shall also state (i) such other information reasonably requested by Bond Counsel to assist in establishing the issue price (within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended) of the applicable Series of Bonds and (ii) that such certificate is made to the best knowledge, information and belief of the Successful Bidder. In addition, the Series 2014B Successful Bidder shall also certify that, based upon the Initial Public Offering Prices set forth in its Proposal for Bonds, the difference between the aggregate Initial Public Offering Price of the Series 2014B Bonds and the price paid by the Successful Bidder to purchase the Series 2014B Bonds does not exceed one and seven-tenths percent (1.7%) of the aggregate Initial Public Offering Price of the Series 2014B Bonds.

Closing. Each Successful Bidder agrees to provide to the Trust, within twenty-five (25) days after the Closing Date, a report showing the allocation of its applicable Series of Bonds received by each member of the
underwriting syndicate therefor, and that portion of the underwriting fee allocable to each member of the underwriting syndicate.

The Series 2014A Successful Bidder may, at its option, refuse to accept the Series 2014A Bonds if subsequent to the Bid Date but prior to the Closing Date any income tax law of the United States of America or of the State shall be enacted that shall, in the opinion of Bond Counsel, materially adversely affect (i) the excludability of interest on the Series 2014A Bonds from gross income of the owners thereof for federal income tax purposes or (ii) the other material tax consequences attributable to the receipt of interest on the Series 2014A Bonds described in the “TAX MATTERS” section of the Preliminary Official Statement. The Series 2014B Successful Bidder may, at its option, refuse to accept the Series 2014B Bonds if subsequent to the Bid Date but prior to the Closing Date any income tax law of the United States of America or of the State shall be enacted that shall, in the opinion of Bond Counsel, materially adversely affect (i) the excludability of interest on the Series 2014B Bonds from gross income of the owners thereof for federal income tax purposes, subject to the alternative minimum tax, or (ii) the other material tax consequences attributable to the receipt of interest on the Series 2014B Bonds described in the “TAX MATTERS” section of the Preliminary Official Statement. In each such case, (i) the Trust shall have no obligation hereunder to deliver such Series of Bonds on the Closing Date, (ii) the Trust shall not be liable to any person for any damages arising out of such non-delivery of such Series of Bonds, and (iii) the principal amount of the Deposit will be returned to the respective Successful Bidder who, in turn, will be relieved of its contractual obligations arising from the Trust’s acceptance of its applicable Proposal for Bonds.

The obligations hereunder to deliver and to accept delivery of and pay for a Series of Bonds are conditioned upon the availability and the delivery on the Closing Date of a copy of the approving opinion of Bond Counsel applicable to such Series of Bonds, including one copy thereof manually signed, substantially in the form set forth in the Preliminary Official Statement, which opinion shall be furnished to the Successful Bidder applicable to such Series of Bonds without cost.

The obligations hereunder to deliver and to accept delivery of and pay for a Series of Bonds shall be further conditioned upon the successful completion of certain escrow procedures and the availability and the delivery to the Successful Bidder applicable to such Series of Bonds on the Closing Date of (i) certificates in form and substance satisfactory to Bond Counsel evidencing the proper execution and delivery of such Series of Bonds and receipt of payment therefor, (ii) a certificate of the Attorney General of the State of New Jersey, General Counsel to the Trust, dated the Closing Date, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of such Series of Bonds or, in lieu of such statement, statements by the Attorney General that, in his opinion, the issues raised in any such pending or threatened litigation, insofar as they affect the validity of such Series of Bonds, are without substance or that the contention of any plaintiffs therein that affects the validity of such Series of Bonds is without merit, (iii) one manually signed copy of the Official Statement (as hereinafter defined), (iv) a supplemental opinion of Bond Counsel, including one copy thereof manually signed, to the effect that the Official Statement (other than the information contained under the caption “THE SERIES 2014 BONDS – Book-Entry-Only System” and in Appendices B, C and D thereto, the descriptions of the Projects, and all financial and statistical data contained therein, as to which no opinion need be expressed), as of its date and on the Closing Date, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, and (v) a certificate of the Chairman, Vice-Chairman or Executive Director of the Trust stating that (a) the Official Statement (other than the information contained under the caption “THE SERIES 2014 BONDS – Book-Entry-Only System” and in Appendices A and G thereto, as to which no statement need be made), as of its date, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, and (b) there has been no material adverse change in the financial condition and affairs of the Trust during the period from the date of the Official Statement to and including the Closing Date that was not disclosed in or contemplated by the Official Statement.
Preliminary and Final Official Statements. The Trust, by accepting the Proposal for Bonds submitted by the Successful Bidder applicable to a Series of Bonds, (i) certifies to such Successful Bidder, as of the date of acceptance of such Proposal for Bonds, that the Preliminary Official Statement furnished to it prior to the date of such acceptance has been “deemed final” as of its date by the Trust within the meaning and for the purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended and supplemented (“Rule 15c2-12”), except for certain omissions permitted thereunder and except for changes permitted thereby and by other applicable law, (ii) agrees to provide such Successful Bidder, in order to permit such Successful Bidder to comply with Rule 15c2-12, (a) with respect to the Successful Bidder for the Series 2014A Bonds, up to 100 copies, and (b) with respect to the Successful Bidder for the Series 2014B Bonds, up to 50 copies, of the final Official Statement, substantially in the form of the Preliminary Official Statement with such changes thereto and insertions therein as shall be necessary to comply with Rule 15c2-12 (the “Official Statement”), to be disseminated by the Trust in connection with the sale by the Trust of the Bonds within the period of time allowed under Rule 15c2-12 for the dissemination thereof, at the sole cost and expense of the Trust, with any additional copies that such Successful Bidder shall reasonably request to be provided at the sole cost and expense of such Successful Bidder, and (iii) undertakes, through the adoption of the Resolutions and through the execution and delivery of the Trust Continuing Disclosure Agreement for each Series 2014 Financing Program, to deliver certain information relating to each such Series 2014 Financing Program as a material “obligated person” (within the meaning and for the purposes of Rule 15c2-12). Each Successful Bidder, by executing its Proposal for Bonds, (i) agrees to provide (a) one copy of the final Official Statement to at least one “nationally recognized municipal securities information repository” within the meaning of Rule 15c2-12 (a “Repository”; as of the date hereof, the sole Repository designated by the SEC in accordance with Rule 15c2-12 is the Electronic Municipal Market Access facility for municipal securities disclosure of the Municipal Securities Rulemaking Board (the “MSRB”)) upon receipt of the final Official Statement from the Trust, and (b) one electronic copy of the final Official Statement (with any required forms) to the MSRB or its designee pursuant to MSRB Rule G-32 no later than ten business days following the date of acceptance of its bid, and (ii) each Successful Bidder further agrees to comply with all other applicable provisions of Rule 15c2-12 and MSRB Rule G-32. Each Successful Bidder shall notify the Trust of (i) the date that is the “end of the underwriting period” relating to its respective Series of Bonds within the meaning of Rule 15c2-12, and (ii) the date on which the final Official Statement is filed with a Repository and the MSRB or its designee. Copies of the Preliminary Official Statement may be obtained at the offices listed in the last paragraph of this Notice of Sale.

Compliance with L. 2005, c. 51. By submitting a Proposal for Bonds to the Trust, each bidder represents and warrants for itself and the other underwriters participating in the bid (together with the bidder, the “Syndicate Members”), as follows: (i) each Syndicate Member has submitted to the State all information, certifications and disclosure statements required pursuant to (a) L. 2005, c. 51, enacted March 22, 2005, which codified Executive Order No. 134 (McGreevey 2004) (“L. 2005, c. 51”), and (b) Executive Order No. 117 (Corzine 2008) (“Executive Order 117”), and each Syndicate Member is in full compliance with the provisions of L. 2005, c. 51 and Executive Order 117; (ii) all information, certifications and disclosure statements previously submitted to the State pursuant to L. 2005, c. 51 and Executive Order 117 by each Syndicate Member are true and correct as of the date hereof; (iii) the representations and warranties set forth in clauses (i) and (ii) hereof have been made by the bidder with full knowledge that the Trust, in engaging the Successful Bidder in connection with the award of the Bonds, shall rely upon the truth thereof and the truth of the information, certifications and disclosure statements referred to therein; and (iv) on the Closing Date, the Successful Bidder shall, on behalf of itself and the Syndicate Members, execute and deliver to the Trust a certificate to the effect that the representations and warranties set forth in clauses (i), (ii) and (iii) hereof are true and correct as of the Closing Date.

For helpful information concerning L. 2005, c. 51 and Executive Order 117 (including the full text thereof), please reference http://www.state.nj.us/treasury/purchase/execorder134.shtml.

Compliance with L. 2005, c. 271 Reporting Requirements. Each bidder is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election
Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if the bidder’s bid is accepted by the Trust and the bidder enters into contracts or agreements with public entities in the State, such as the Trust, and receives compensation or fees in excess of $50,000 or more in the aggregate from public entities in the State, such as the Trust, in a calendar year. It is the responsibility of the Successful Bidder to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at http://www.elec.state.nj.us.

**Compliance with L. 2012, c. 25 - Certification of Non-Involvement in Prohibited Activities in Iran.** Pursuant to N.J.S.A. 52:32-58 (L. 2012, c. 25, Section 4), each Successful Bidder will be required to file with the Trust, on or prior to the Closing Date, a certification (the form of which is available at http://www.state.nj.us/treasury/purchase/forms/StandardRFPForms.pdf) that neither such Successful Bidder, nor any of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is listed on the New Jersey Department of the Treasury’s List of Persons or Entities Engaging in Prohibited Investment Activities in Iran (a copy of which is available at http://www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf). If a bidder is unable to so certify, the bidder shall provide a detailed and precise description of such activities. If any bidder has not previously submitted the certification required pursuant to L. 2012, c. 25 or has any questions concerning the requirements of L. 2012, c. 25, such bidder should contact the Executive Director of the Trust at (609) 219-8600. The certification must be submitted to the Trust, Attention: Executive Director, via facsimile to (609) 219-8620 or via electronic mail to dzimmer@njeit.org. Compliance with the certification requirement set forth in this paragraph is a material term and condition pursuant to this Notice of Sale and is binding upon each bidder.

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The foregoing is not intended as a complete summary of all of the provisions of the Resolutions and the Preliminary Official Statement. For further information with respect thereto, reference is hereby made to the Resolutions and the Preliminary Official Statement.

Copies of the Preliminary Official Statement and this Notice of Sale may be obtained from the Executive Director at the Administrative Offices (telephone (609) 219-8600) or from Public Financial Management, Inc., financial advisor to the Trust, 2 Logan Square, Suite 1600, Philadelphia, Pennsylvania 19103, Attention: Geoffrey Stewart or Daniel Berger (telephone (215) 567-6100).

Warren H. Victor
Chairman
New Jersey Environmental Infrastructure Trust

Dated: April 29, 2014
PRELIMINARY OFFICIAL STATEMENT DATED APRIL 29, 2014

Fitch: AAA
Moody's: Aaa
Standard & Poor's: AAA
See “RATINGS” herein.

NEW ISSUE – FULL BOOK ENTRY

In the opinion of McCarter & English, LLP, Bond Counsel to the Trust, assuming compliance by the Trust and the Series 2014A Borrowers with certain tax covenants described herein, under existing law interest on the Series 2014A Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In the case of certain corporate holders of the Series 2014A Bonds, interest on the Series 2014A Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2014A Bonds in “adjusted current earnings” of certain corporations. (See “TAX MATTERS” herein.)

Bond Counsel is further of the opinion that, assuming compliance by the Trust and the Series 2014B Borrowers with certain tax covenants described herein, under existing law, interest on the Series 2014B Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, except as to interest on any Series 2014B Bonds for any period during which such Series 2014B Bonds are held by a person who is either a “substantial user” (within the meaning of Section 147(a) of the Code) of a Series 2014B Project financed or refinanced with the proceeds of the Series 2014B Bonds or a “related person” of such “substantial user.” Interest on the Series 2014B Bonds, however, is an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax imposed on individuals and corporations. (See “TAX MATTERS” herein.)

Bond Counsel is further of the opinion that, under existing law, interest on the Series 2014 Bonds and net gains from the sale thereof are exempt from the tax imposed by the New Jersey Gross Income Tax Act. (See “TAX MATTERS” herein.)

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

[LOGO]

$55,010,000$56,545,000 Environmental Infrastructure Bonds, Series 2014A
$5,440,000$5,490,000 Environmental Infrastructure Bonds, Series 2014B (AMT)

Dated: Date of Delivery
Due: September 1, as shown on the inside cover hereof

The $55,010,000$56,545,000 aggregate principal amount of “Environmental Infrastructure Bonds, Series 2014A” (the “Series 2014A Bonds”), and the $5,440,000$5,490,000 aggregate principal amount of “Environmental Infrastructure Bonds, Series 2014B (AMT)” (the “Series 2014B Bonds”); the Series 2014A Bonds and the Series 2014B Bonds shall be referred to collectively herein as the “Series 2014 Bonds”) will be issued by the New Jersey Environmental Infrastructure Trust (the “Trust”). The principal of the Series 2014 Bonds will be payable on September 1 in the years shown on the inside cover hereof, upon presentation and surrender thereof at the corporate trust office of U.S. Bank National Association, Morristown, New Jersey, or any successors thereto, as trustee and paying agent. Interest on the Series 2014 Bonds will be payable on September 1, 2014 and semiannually thereafter on March 1 and September 1 of each year to and including their respective dates of maturity. Each series of the Series 2014 Bonds will be issued as fully registered bonds in the denomination of one bond per aggregate principal amount of the stated maturity thereof, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), an automated depository for securities and clearing house for securities transactions. Purchases of beneficial interests in each series of the Series 2014 Bonds will be made in book-entry-only form (without certificates) in denominations of $5,000 or any whole multiple thereof. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2014 Bonds, payments of the principal and redemption premium, if any, of and interest on the Series 2014 Bonds will be made directly to Cede & Co., which will remit such payments to the DTC participants, which in turn will remit such payments to the beneficial owners of the Series 2014 Bonds. (See “THE SERIES 2014 BONDS” herein.)
The Series 2014 Bonds will be subject to optional redemption and may be subject to mandatory sinking fund redemption, all as more fully described herein. (See "THE SERIES 2014 BONDS – Optional Redemption" and "THE SERIES 2014 BONDS – Possibility of Mandatory Sinking Fund Redemption" herein.)

The Series 2014 Bonds are being issued pursuant to (i) the Trust Act (as defined herein), (ii) all other applicable law and (iii) the respective Series 2014 Bond Resolutions (as defined herein), for the purpose of making loans (respectively, the "Series 2014A Trust Loans" and the "Series 2014B Trust Loan") to the borrowers identified in Appendix B hereto (respectively, the "Series 2014A Borrowers" and the "Series 2014B Borrowers") (which Series 2014A Borrowers and Series 2014B Borrowers include some or all of the following types of borrowers: counties; municipalities; regional, county and municipal utilities, sewerage and improvement authorities, commissions and joint meetings; State authorities; State colleges; non-profit corporations; and private water supply companies; all located in the State of New Jersey (the "State")), to finance or refinance a portion of the costs of the environmental infrastructure facilities of, respectively, the Series 2014A Borrowers and the Series 2014B Borrowers.

Although the Series 2014A Bonds and the Series 2014B Bonds will be issued simultaneously by the Trust, the Series 2014A Bonds and the Series 2014B Bonds will be issued pursuant to separate bond resolutions and will be separately secured, except for their respective interests in the Master Program Trust Account (as described herein) held by U.S. Bank Trust National Association, New York, New York, as master program trustee (the "Master Program Trustee"), in accordance with the terms of the Master Program Trust Agreement (as described herein). (See "SECURITY FOR THE SERIES 2014 BONDS" herein.)

The Series 2014A Bonds will be special obligations of the Trust, secured primarily by (i) the repayments by the Series 2014A Borrowers of the Series 2014A Trust Loans, (ii) with respect to certain authority Series 2014A Borrowers only, moneys on deposit in the Series 2014A Borrower Debt Service Reserve Funds (as described herein) and moneys payable pursuant to the Series 2014A Borrower Service Agreements (as described herein) and the Series 2014A Government Borrower Guaranties (as described herein), (iii) certain State-aid payable to the municipal and county Series 2014A Borrowers and certain municipal and county Series 2014A Participants (as described herein) and the Series 2014A Government Borrower Guarantors (as described herein), (iv) the repayments by the Series 2014A Borrowers of the companion Series 2014A Fund Loans (as described herein), and (v) certain of the repayments by those Borrowers (as described herein) in the Coverage Providing Financing Programs (as described herein) that have received Coverage Providing Fund Loans (as described herein) that are held by the Master Program Trustee in accordance with the terms of the Master Program Trust Agreement. See "SECURITY FOR THE SERIES 2014 BONDS" herein.

The Series 2014B Bonds will be special obligations of the Trust, secured primarily by (i) the repayment by the Series 2014B Borrowers of the Series 2014B Trust Loans, (ii) the repayment by the Series 2014B Borrowers of the companion Series 2014B Fund Loans (as described herein), and (iii) certain of the repayments by those Borrowers in the Coverage Providing Financing Programs that have received Coverage Providing Fund Loans that are held by the Master Program Trustee in accordance with the terms of the Master Program Trust Agreement. See "SECURITY FOR THE SERIES 2014 BONDS" herein.


A detailed maturity and pricing schedule for each series of the Series 2014 Bonds is set forth on the inside cover page hereof.

Each series of the Series 2014 Bonds is offered when, as and if issued and delivered and subject to the receipt of the respective approving legal opinions of McCarter & English, LLP, Newark, New Jersey, Bond Counsel to the Trust. Certain legal matters will be passed upon for the Trust by John Jay Hoffman, Acting, Attorney General.
of the State, General Counsel to the Trust. The Trust expects that each series of the Series 2014 Bonds in definitive form will be available for delivery to DTC in New York, New York, and that payment for each series of the Series 2014 Bonds will occur in Newark, New Jersey, on or about May 21, 2014.

May 7, 2014

*Preliminary, subject to change.*
# MATURITY SCHEDULE

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

$55,010,000 5,545,000 Environmental Infrastructure Bonds, Series 2014A

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount*</th>
<th>Interest Rate</th>
<th>Price or Yield</th>
<th>CUSIP</th>
<th>Year</th>
<th>Principal Amount*</th>
<th>Interest Rate</th>
<th>Price or Yield</th>
<th>CUSIP</th>
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<td>2015</td>
<td>$1,475,000</td>
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<td>0.43%</td>
<td>645791WH3</td>
<td>2026</td>
<td>3,120,000</td>
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<td>2.65%</td>
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<td>3,780,000</td>
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$5,440,000 5,490,000 Environmental Infrastructure Bonds, Series 2014B (AMT)

<table>
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<th>Year</th>
<th>Principal Amount*</th>
<th>Interest Rate</th>
<th>Price or Yield</th>
<th>CUSIP</th>
<th>Year</th>
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1 Yield calculated to first optional redemption date of September 1, 2024.
Preliminary, subject to change.
[Red Herring Language for Cover]

This Preliminary Official Statement is subject to correction and change. The Trust has authorized the distribution of this document to prospective purchasers and others for informational purposes only and, upon the sale of the Series 2014 Bonds, will complete and deliver an Official Statement substantially in this form. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Series 2014 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration, qualification or exemption under the securities laws of any such jurisdiction.
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OFFICIAL STATEMENT

of the

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Relating to its

$85,010,000*56,545,000 Environmental Infrastructure Bonds, Series 2014A
$8,440,000*5,490,000 Environmental Infrastructure Bonds, Series 2014B (AMT)

INTRODUCTION

This Official Statement, which includes the cover and inside cover pages hereof and the Appendices attached hereto, has been disseminated by the New Jersey Environmental Infrastructure Trust (the “Trust”) to provide certain information relating to the Trust and to the issuance, sale and delivery by the Trust of (i) its “Environmental Infrastructure Bonds, Series 2014A”, dated the date of issuance thereof, in the aggregate principal amount of $85,010,000*56,545,000 (the “Series 2014A Bonds”), and (ii) its “Environmental Infrastructure Bonds, Series 2014B (AMT)”, dated the date of issuance thereof, in the aggregate principal amount of $8,440,000*5,490,000 (the “Series 2014B Bonds”); the Series 2014A Bonds and the Series 2014B Bonds shall be referred to collectively herein as the “Series 2014 Bonds”). The Series 2014 Bonds are being issued pursuant to (i) the “New Jersey Environmental Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1983 of the State of New Jersey (N.J.S.A. 58:11B-1 et seq.), as the same has been, and may from time to time be, amended and supplemented (the “Trust Act”), and (ii) all other applicable law. In addition, (i) the Series 2014A Bonds are being issued under and pursuant to the “Environmental Infrastructure Bond Resolution, Series 2014A”, adopted by the Trust on April 10, 2014, as the same may be amended from time to time in accordance with the terms thereof (the “Series 2014A Bond Resolution”), and (ii) the Series 2014B Bonds are being issued under and pursuant to the “Environmental Infrastructure Bond Resolution, Series 2014B”, adopted by the Trust on April 10, 2014, as the same may be amended from time to time in accordance with the terms thereof (the “Series 2014B Bond Resolution”; the Series 2014A Bond Resolution and the Series 2014B Bond Resolution shall be referred to collectively herein as the “Series 2014 Bond Resolutions”).

Due to the complexity of the Financing Programs (as defined herein), investors considering a purchase of the Series 2014 Bonds may wish to refer to the glossary containing the defined terms used in the body of this Official Statement, which glossary is set forth as Appendix H hereto.

The Series 2014 Bonds will be subject to optional redemption as more fully described herein. (See “THE SERIES 2014 BONDS – Optional Redemption” herein.) The Series 2014 Bonds may be subject to mandatory sinking fund redemption as more fully described herein. (See “THE SERIES 2014 BONDS – Possibility of Mandatory Sinking Fund Redemption” herein.)

The Series 2014 Bonds are being issued to:

(i) finance, together with certain moneys of the State of New Jersey (the “State”) and moneys of certain of the Series 2014 Borrowers (as defined herein), various System (as defined herein) improvements, as part of the Series 2014 Financing Program (as defined herein);

(ii) finance, for certain Series 2014 Borrowers, capitalized interest on the Series 2014 Bonds; and

(iii) fund a portion of the costs of issuance relating to the Series 2014 Bonds.

*Preliminary, subject to change.
No Debt Service Reserve Fund for the Series 2014 Bonds

The Series 2014A Bond Resolution does not require the funding of a Debt Service Reserve Fund as security for the Series 2014A Bonds. The Series 2014B Bond Resolution does not require the funding of a Debt Service Reserve Fund as security for the Series 2014B Bonds.

The New Jersey CAP Law

Sections 45.2 and 45.3 of Chapter 4 of Title 40A of the New Jersey Statutes (the "CAP Law") limit municipal expenditures. The CAP Law has been in effect since 1977 and has been amended several times. The CAP Law, as amended, generally limits increases of municipal appropriations over the previous year to no more than three and one-half percent (3.5%) or the index rate (the annual percentage increase in the U.S. Department of Commerce Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the year preceding the current year), whichever is less. However, certain expenditures, including, without limitation, (i) expenditures for debt service (which includes the Borrower Bonds), (ii) expenditures pursuant to any contract with respect to real estate or provision of any service or facility for public improvement for water or sewerage or payments upon account of debt service therefore (which includes amounts required to be paid by a Participant to a Special Obligation Borrower pursuant to a Borrower Service Agreement and necessary for a Special Obligation Borrower to meet in a timely fashion its debt service obligations with respect to its Borrower Bonds), (iii) expenditures mandated by federal or State law (after the effective date of the January 1, 1991 amendments) and (iv) capital expenditures, are excluded from the calculation of the permissible annual increase in municipal appropriations prescribed under the CAP Law.

Additionally, legislation constituting P.L. 2007, c. 62, effective on April 3, 2007, as amended by P.L. 2010, c. 44, effective on July 13, 2010, further amending the CAP Law, imposes a 2% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include, without limitation, increases required to be raised for debt service as defined by law (which includes the Borrower Bonds), extraordinary costs directly related to a declared emergency, and certain increases in pension contributions and health care costs over 2%. Voters may approve increases over 2% not otherwise permitted, by a vote of a majority of the voters voting on a public question. These amendments to the CAP Law do not limit the obligation of a Local Unit Borrower to levy ad valorem taxes upon all taxable real property within the Local Unit Borrower to pay debt service on its bonds or notes (which includes its Borrower Bonds). In addition, pursuant to Local Finance Notice Number 2011-36, issued on December 12, 2011 by the Division of Local Government Services in the New Jersey Department of Community Affairs (the "DLGS"), the DLGS has made a determination that the amounts required to be paid by a Participant to a Special Obligation Borrower pursuant to a Borrower Service Agreement and necessary for a Special Obligation Borrower to meet its debt service obligations with respect to its Borrower Bonds may be considered the equivalent of municipal debt service and shall be treated as such for all purposes pursuant to the CAP Law.

SOURCES AND USES OF FUNDS FOR THE SERIES 2014A BONDS

Sources:

<table>
<thead>
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<th>Source</th>
<th>Amount</th>
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<tr>
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<td>Net Original Issue Premium</td>
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<td>TOTAL SOURCES OF FUNDS</td>
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Uses:

<table>
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</thead>
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<td>Project Fund Deposits(^1)</td>
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<tr>
<td>Underwriter’s Discount</td>
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<tr>
<td>TOTAL USES OF FUNDS</td>
<td>$61,042,701.05</td>
</tr>
</tbody>
</table>

\(^1\) Project costs are to be funded in part by the Series 2014A Trust Loan for each Project. A portion of the Allowable Costs of each Project will be funded by the State with a Series 2014A Fund Loan. (See "THE FINANCING PROGRAM - Trust Loans" and "THE FINANCING PROGRAM - Fund Loans").

\(^2\) Interest is capitalized with respect to certain Projects financed with a portion of the Series 2014A Bonds for a period ending no later than the next ensuing Interest Payment Date after the scheduled completion of such Projects, but in any event no later than three years after the date of issuance of the Series 2014A Bonds.
SOURCES AND USES OF FUNDS FOR THE SERIES 2014B BONDS

Sources:
Aggregate Principal Amount of Series 2014B Bonds ........................................... $4,490,000.00
Net Original Issue Premium ....................................................................................... 352,742.25
TOTAL SOURCES OF FUNDS ................................................................................ 5,842,742.25

Uses:
Project Fund Deposit\(^{(1)}\) .................................................................................. $5,751,430.00
Costs of Issuance ....................................................................................................... 11,981.75
Underwriter’s Discount ............................................................................................ 79,330.50
TOTAL USES OF FUNDS ................................................................................... 5,842,742.25

\(^{(1)}\) Project costs are to be funded in part by the Series 2014B Trust Loan for each Project. A portion of the Allowable Costs of each Project will be funded by the State with a Series 2014B Fund Loan. (See “THE FINANCING PROGRAM - Trust Loans” and “THE FINANCING PROGRAM - Fund Loans”).

SECONDARY MARKET DISCLOSURE

In connection with the provisions of Rule 15c2-12, as amended, supplemented and officially interpreted from time to time, or any successor provision thereto, promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the Trust has determined that, with regard to each respective series of the Series 2014 Bonds, it is not an “obligated person”, as defined therein.

The Trust has determined in the Series 2014A Bond Resolution that those Borrowers (from any Financing Program) whose remaining Fund Loan repayments in all Coverage Providing Financing Programs, when aggregated with their Series 2014A Trust Loan repayments, if any, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs and (ii) the aggregate of all remaining Series 2014A Trust Loan repayments from all Series 2014A Borrowers, shall be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 for the Series 2014A Bonds. The Trust has determined in the Series 2014B Bond Resolution that those Borrowers (from any Financing Program) whose remaining Fund Loan repayments in all Coverage Providing Financing Programs, when aggregated with their Series 2014B Trust Loan repayments, if any, exceed ten percent (10%) of the sum of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing Financing Programs and (ii) the aggregate of all remaining Series 2014B Trust Loan repayments from all Series 2014B Borrowers, shall be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 for the Series 2014B Bonds. To the extent any such Borrowers have entered into Borrower Service Agreements with Participants and any such Participants have entered into Indirect Borrower Service Agreements with Indirect Participants whereby Annual Charges or Indirect Annual Charges, as the case may be, materially secure such Loan repayments of any such Borrower, any such Participants and Indirect Participants also shall be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 for the respective series of the Series 2014 Bonds.

Each Series 2014 Borrower has covenanted in its Series 2014 Trust Loan Agreement, for the benefit of the respective Series 2014 Bondholders, to enter into a Borrower Continuing Disclosure Agreement (the “Borrower Continuing Disclosure Agreement”) should it meet, at any time during the term of its respective Series 2014 Trust Loan, the material “obligated persons” test referred to above. Such Borrower Continuing Disclosure Agreement obligates any such Series 2014 Borrower to provide (i) certain financial information and operating data relating to such Series 2014 Borrower and the Participants and Indirect Participants, if any, of such Series 2014 Borrower, including, without limitation, audited financial statements, within 225 days after the end of each fiscal year for which any such Borrower Continuing Disclosure Agreement is in effect (the “Annual Report”), and (ii) notice to the Trust of the occurrence of certain enumerated events. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events is summarized in Appendix F hereto — “SUMMARY OF THE SERIES 2014 TRUST LOAN AGREEMENTS (INCLUDING THE CONTINUING DISCLOSURE AGREEMENTS FOR THE SERIES 2014 BORROWERS), THE SERIES 2014 FUND LOAN AGREEMENTS AND THE OTHER COVERAGE PROVIDING FUND LOAN AGREEMENTS.”
2014B Trust Loan Agreement, including a covenant not to take any action or omit to take any action which would result in the loss of the exclusion of the interest on the Series 2014B Bonds from gross income for purposes of federal income taxation as that status is governed by Section 103(a) of the Code.

Assuming continuing compliance by the Trust with the provisions and procedures set forth in the Series 2014B Tax Certificate and assuming the Series 2014B Borrowers observes their covenants with respect to continuing compliance with the Code, Bond Counsel is of the opinion that, for federal income tax purposes, under existing law, interest on the Series 2014B Bonds is excluded from gross income of the owners thereof pursuant to Section 103 of the Code, except as to interest on any Series 2014B Bond for any period during which such Series 2014B Bond is held by a person who is either a “substantial user” (within the meaning of Section 147(a) of the Code) of the facilities financed or refinanced with the proceeds of the Series 2014B Bonds or a “related person” of such “substantial user.”

**Tax Treatment of Original Issue Discount**

The respective initial public offering prices of the Series 2014A Bonds maturing on September 1 in each of the years 2029 through and including 2033 and the Series 2014B Bonds maturing on September 1 in each of the years 2026 through and including 2031 (collectively, the “Series 2014 Discount Bonds”) are less than the respective principal amounts payable on such Series 2014 Discount Bonds at maturity. The difference between the initial public offering price at which a substantial amount of each of the Series 2014 Discount Bonds was sold and the principal amount payable at maturity of such Series 2014 Discount Bond constitutes original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Series 2014 Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the applicable series of the Series 2014 Bonds.

Pursuant to Section 1288 of the Code, original issue discount on the Series 2014 Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Series 2014 Discount Bond acquired at the initial public offering price of such Series 2014 Discount Bond will be increased by the amount of such accrued discount.

Owners of the Series 2014 Discount Bonds should consult their personal tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly allocable with respect to the Series 2014 Discount Bonds and the tax accounting treatment of accrued interest.

**Additional Federal Income Tax Consequences Relating to the Series 2014 Bonds**

Prospective purchasers of the Series 2014 Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of tax-exempt obligations, such as the Series 2014 Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations. Prospective purchasers of the Series 2014 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Series 2014 Bonds from gross income pursuant to Section 103 of the Code, and interest on the Series 2014A Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Series 2014 Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2014 Bonds.
MISCELLANEOUS

Information contained in this Official Statement with respect to the Series 2014 Financing Program and the Trust and copies of the related Bond Resolutions, Trust Loan Agreements, Fund Loan Agreements, Master Program Trust Agreement, Borrower Bond Resolutions, Borrower Service Agreements, Borrower Guaranties, Private Borrower Letters of Credit, Private Borrower Mortgages and Continuing Disclosure Agreements may be obtained from David E. Zimmer, Executive Director, New Jersey Environmental Infrastructure Trust at the Trust Offices. This Official Statement is submitted in connection with the sale and issuance of each series of the Series 2014 Bonds and may not be reproduced or used in whole or in part for any other purpose. This Official Statement has been duly authorized and approved by the Trust and duly executed and delivered on its behalf by the official signing below. Any statements in this Official Statement involving matters of opinion, projections or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. The agreements of the Trust are fully set forth in the respective Series 2014 Bond Resolutions in accordance with the Trust Act, and this Official Statement is not to be construed as a contract or agreement between the Trust and the purchasers or owners of any of the Series 2014 Bonds.

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

By: /s/ Warren H. Victor
    Warren H. Victor
    Chairman

DATED: May 7, 2014
## New Jersey Environmental Infrastructure Trust
### Series 2014A
#### Bidding Results

<table>
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<tr>
<th>Bidder</th>
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<th>Bid Amount</th>
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<tbody>
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<td>Bidder 3</td>
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<td>Bidder 4</td>
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<td>Bidder 5</td>
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New Jersey Environmental Infrastructure Trust  
Series 2014B  
Bidding Results

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<td>Citigroup Global Markets Inc.</td>
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<td>3.338138%</td>
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<tr>
<td>Janney Montgomery Scott</td>
<td>5,720,707.45</td>
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<td>Hutchinson, Shockey, Erley &amp; Co.</td>
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<td>J.P. Morgan Securities</td>
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<thead>
<tr>
<th>Bidder: Citigroup Global Markets Inc.</th>
<th>Bidder 1 Bid Price: 5,712,060.85</th>
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<tr>
<td>Bidder: Janney Montgomery Scott</td>
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<td>Bidder: Hutchinson, Shockey, Erley &amp; Co.</td>
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<td>Bidder: J.P. Morgan Securities</td>
<td>Bidder 4 Bid Price: 6,016,647.95</td>
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</table>
RESOLUTION NO. 14-25

AMENDED AND RESTATED RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING THE INTERIM FINANCING STATE FISCAL YEAR 2015 TRUST LOAN PROGRAM

WHEREAS, the New Jersey Environmental Infrastructure Trust (the “Trust”), pursuant to and in accordance with (i) the “New Jersey Environmental Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 et seq.), as the same has been, and in the future may from time to time be, amended and supplemented (the “Act”), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 et seq.), as the same have been, and in the future may from time to time be, amended and supplemented (the “Regulations”), is authorized, pursuant to an interim financing program (the “Interim Financing Program”), to make loans (each, an “Interim Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Interim Loan made by the Trust satisfies the requirements of the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

WHEREAS, pursuant to the provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for an Interim Loan for purposes of financing the allowable costs of the environmental infrastructure project of such Borrower pursuant to the Interim Financing Program, provided each of the following conditions is satisfied in full: (i) the project is listed on the project priority list developed in accordance with N.J.A.C. 7:22-4.8(a) for funding in the forthcoming State Fiscal Year; (ii) the proposed project sponsor has submitted a complete application for the project in accordance with N.J.A.C. 7:22-4.11; (iii) the project has been certified for funding by the Trust in accordance with N.J.A.C. 7:22-4.13; (iv) the project is in the fundable range in the forthcoming funding cycle given the project's rank and the anticipated availability of Department of Environmental Protection and Trust monies; and (v) the proposed project sponsor has not previously received an Interim Loan through the Interim Financing Program for the same project scope; and

WHEREAS, it is the desire of the Trust, subject to the terms and provisions of the Act, the Regulations and this Resolution, to authorize the implementation of the Interim Financing Program for the State Fiscal Year 2015 (“SFY 2015”) Environmental Infrastructure Financing Program of the Trust (the “Interim Financing SFY 2015 Trust Loan Program”); and

WHEREAS, in order to provide a source of funding for the implementation of the Interim Financing SFY 2015 Trust Loan Program, the New Jersey State Legislature and the Governor of the State of New Jersey have enacted into law an appropriation act (the “Appropriation”) that has appropriated to the Trust, from repayments of loans deposited in any account, including the Clean Water State Revolving Fund Accounts contained within the “Wastewater Treatment Fund”, the “1992 Wastewater Treatment Fund”, the “Water Supply Fund”, the “Stormwater Management and Combined Sewer Overflow Abatement Fund”, or the Drinking Water State Revolving Fund, as appropriate, and from any net earnings received from the investment and reinvestment of such
deposits, the sum of $200,000,000, such sum having been deposited, or to be deposited, in the segregated fund created by the Trust for the purpose of funding the Interim Financing Program; and

WHEREAS, in addition to the funds made available to the Trust pursuant to the Appropriation for purposes of the Interim Financing SFY 2015 Trust Loan Program, it is the desire of the Trust to provide, as additional sources of funding for the Interim Financing SFY 2015 Trust Loan Program, (i) net earnings with respect to funds held by the Trust and (ii) operating funds of the Trust that are not required for, or committed to, the operations of the Trust for fiscal years 2014 and 2015 (collectively, the “Available Trust Revenues”; the Appropriation and the Available Trust Revenues shall be referred to collectively herein as the “Available Funds”), which Available Trust Revenues may be made available by the Trust to (i) Borrowers participating in the Interim Financing SFY 2015 Trust Loan Program that do not qualify for funding from the Appropriation, as well as (ii) at the election of the Trust, any other Borrowers participating in the Interim Financing SFY 2015 Trust Loan Program; and

WHEREAS, with respect to the Interim Financing SFY 2015 Trust Loan Program of the Trust and other future Interim Financing Programs of the Trust (collectively, the “Current and Future Interim Financing Trust Loan Programs”), it is the desire of the Trust to explore, as an additional source of funding for the Current and Future Interim Financing Trust Loan Programs, the procurement of a line of credit or other similar financial instrument procured by the Trust from a commercial bank (the “Credit Instrument”), and in furtherance of such exploration, the Trust desires to prepare and distribute a Request for Proposals seeking proposals from qualified providers of a Credit Instrument; and

WHEREAS, the Board of Directors of the Trust (the “Board”), on December 12, 2013, adopted that certain “Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the Interim Financing State Fiscal Year 2015 Trust Loan Program” (Resolution No. 13-68) (the “Original Resolution”), and now desires to amend and restate the Original Resolution in its entirety for the purpose of amending certain interest rate provisions of the Original Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Environmental Infrastructure Trust (the “Board of Directors of the Trust”), as follows:

Section 1. The Board hereby amends and restates the Original Resolution in its entirety pursuant to the terms and provisions hereof.

Section 2. The Board of Directors of the Trust hereby authorizes the establishment of the Interim Financing SFY 2015 Trust Loan Program, provided (i) such Interim Financing SFY 2015 Trust Loan Program shall be funded from the Available Funds and/or Credit Instruments and (ii) such Interim Financing SFY 2015 Trust Loan Program shall comply fully with the provisions of the Act and the Regulations applicable thereto and the terms of this Resolution.

Section 3. Any Interim Loan made by the Trust as part of the Interim Financing SFY 2015 Trust Loan Program shall be evidenced by (i) a note or other appropriate obligation of the Borrower
to be issued to the Trust, all in satisfaction of the requirements of Section 9 of the Act (the “Obligation”), and (ii) any other documentation as shall be deemed necessary and appropriate by the Executive Director of the Trust, or any other person or persons designated by the Board of Directors of the Trust by resolution to act on behalf of the Trust (each, an “Authorized Officer”), after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State (collectively, the “Loan Instruments”). Each Obligation shall be in substantially the applicable form attached hereto as Exhibit A, with such revisions and modifications thereto as shall be approved by an Authorized Officer after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State. The Loan Instruments shall include such terms and provisions relating to the Interim Financing SFY 2015 Trust Loan Program as shall be determined by an Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, as being necessary in connection with (i) the satisfaction of the requirements of the Act and the Regulations and (ii) the implementation of the terms of this Resolution. Any Interim Loan made by the Trust to a Borrower as part of the Interim Financing SFY 2015 Trust Loan Program (i) shall bear interest at a rate determined in accordance with the Interest Rate Calculation (as hereinafter defined), (ii) shall not exceed $10,000,000 in principal amount; (iii) shall have a maturity date to be determined by an Authorized Officer, in consultation with Bond Counsel to the Trust and the Attorney General of the State, which shall be no later than the last day of the third succeeding State Fiscal Year following the closing date with respect to such Interim Loan; and (iv) shall not be subject to the imposition of an administrative fee.

Section 4. (a) The rate of interest to be paid to the Trust by a Borrower that is a local government unit for a project for which funding was sought in the SFY2014 New Jersey Environmental Infrastructure Financing Program, that satisfied financing program requirements after February 3, 2014, and which secures interim financing prior to June 30, 2014, shall be equal to 0% per annum.

(b) Other than with respect to an interim loan made by the Trust pursuant to paragraph (a) of this section 4, the rate of interest to be paid by a Borrower to the Trust with respect to the repayment of an interim loan shall be calculated in the following manner (the “Interest Rate Calculation”), so as to achieve an objectively determined rate of interest that is reflective of the policy goals as set forth in this Resolution and the market as of the date on which the Interim Loan is made by the Trust:

(i) with respect to an Interim Loan made to a local government unit (as such term is defined in the Act), other than an Interim Loan made from amounts made available to the Trust pursuant to a Credit Instrument, the product of (A) the interest rate as defined by the Thompson Financial TM3 “AAA” Municipal Market Data General Obligation Index (Tax Exempt) for the number of years that corresponds to the term of the Interim Loan, and (B) 0.25;

(ii) with respect to an Interim Loan made to a made to a public water utility (as such term is defined in the Act), a small water company (as such term is defined in the Act), any other private person, or a local government unit on behalf of any private person, other than
an Interim Loan made from amounts made available to the Trust pursuant to a Credit Instrument, the product of (A) the interest rate as defined by the Thompson Financial TM3 “AAA” Municipal Market Data General Obligation Index (AMT) for the number of years that corresponds to the term of the Interim Loan, and (B) 0.25; and

(iii) with respect to any portion of an Interim Loan made from amounts made available to the Trust pursuant to a Credit Instrument, a rate to be determined by the Trust in connection with its approval of any such Credit Instrument as required by Section 9 hereof, which rate shall be commensurate with the cost to the Trust of obtaining funds pursuant to such Credit Instrument for the purpose of making such Interim Loan or portion thereof.

For purposes of determining the term of an Interim Loan in order to perform the Interest Rate Calculation as set forth above, the Authorized Officers shall calculate from the date such Interim Loan is made to the maturity date of such Interim Loan, rounding up to the nearest year.

Section 5. The Authorized Officers are each hereby severally authorized and directed, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, to approve the participation of a Borrower in the Interim Financing SFY 2015 Trust Loan Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations and the terms of this Resolution.

Section 6. Prior to the making of an Interim Loan pursuant to the Interim Financing SFY 2015 Trust Loan Program with respect to any Project, an Authorized Officer shall certify the Project for funding thorough the Interim Financing SFY 2015 Trust Loan Program in accordance with the provisions of N.J.A.C. 7:22-4.13, provided, however, that (i) the proposed Project previously has been certified for funding by the Commissioner of the New Jersey Department of Environmental Protection pursuant to the provisions of N.J.A.C. 7:22-3.13, and (ii) such Project shall otherwise qualify for funding through the Interim Financing SFY 2015 Trust Loan Program pursuant to the terms and provisions of the Act and the Regulations and the terms and provisions of this Resolution.

Section 7. Each Authorized Officer is hereby severally authorized and directed to execute (i) any Loan Instrument to which the Trust is a party (the “Trust Loan Instruments”) and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the participation of any Borrower in the Interim Financing SFY 2015 Trust Loan Program.

Section 8. Upon execution of the Trust Loan Instruments by an Authorized Officer, the Secretary and the Assistant Secretary of the Trust are each hereby severally authorized and directed, where required, to affix the corporate seal of the Trust, and to attest to the signature of such Authorized Officer, thereon and on any certificates, instruments or documents contemplated therein or related thereto.

Section 9. At the meeting of the Board of Directors of the Trust immediately following the execution and delivery of any Loan Instruments relating to any Interim Loan made to any Borrower pursuant to the Interim Financing SFY 2015 Trust Loan Program, the Executive Director of
the Trust shall provide a report to the Board of Directors of the Trust concerning the details of such transaction.

Section 10. Each Authorized Officer is hereby severally authorized to prepare and distribute, in consultation with Bond Counsel to the Trust, the Office of the Attorney General of the State and the Financial Advisor to the Trust (collectively, the “Professional Advisors”), a Request for Proposals (the “RFP”), to banking corporations having membership in the federal depository insurance corporation, for a Credit Instrument for the purpose of funding all or a portion of one or more of the Current and Future Interim Financing Trust Loan Program, in such amount as is determined by such authorized Officer to be necessary and appropriate for such purpose. Such RFP shall be prepared and distributed pursuant to and in compliance with Trust Policy and Procedure No. 4.00, entitled “Procurement of Goods and Services”. The award of any contract to a banking corporation that has submitted to the Trust a response to RFP for the provision of a Credit Instrument for the purpose of funding all or a portion of one or more of the Current and Future Interim Financing Trust Loan Programs shall be made only upon authorization by official action of the Board of Directors of the Trust at a future meeting thereof. The Authorized Officers are each hereby severally authorized and directed to take such other actions as any Authorized Officer, in his respective sole discretion, after consultation with the Professional Advisors, deems necessary, convenient or desirable in order to prepare and distribute the RFP and to receive proposals for the provision of a Credit Instrument, in a manner consistent herewith.

Section 11. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his respective sole discretion after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, deems necessary, convenient or desirable to effect the transactions contemplated hereby.
EXHIBIT A

FORMS OF OBLIGATION
FOR VALUE RECEIVED, ________________________________________ a municipal corporation duly created and validly existing pursuant to the laws of the State (as hereinafter defined), and its successors and assigns (the “Borrower”), hereby promises to pay to the order of the NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, a public body corporate and politic with corporate succession, duly created and validly existing under and by virtue of the Act (as hereinafter defined) (the “Trust”), the Principal (as hereinafter defined), together with all unpaid accrued Interest (as hereinafter defined), fees, late charges and other sums due hereunder, if any, in lawful money of the United States of America, on the Maturity Date (as hereinafter defined) or the date of any optional prepayment or acceleration in accordance with the provisions of this note (this “Note”).

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

“Act” means the “New Jersey Environmental 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 a fee of up to four-tenths of one percent (.40%) of that portion of the Principal identified in clause (i) of the definition thereof (as set forth in this Section 1), or such lesser amount, if any, as the Trust may determine from time to time.

“Anticipated Financing Program” means the financing program of the Trust, pursuant to which the Trust will issue its Trust Bonds for the purpose of financing, on a long term basis, the Project and other projects of certain qualifying borrowers.

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

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

“Code” means the Internal Revenue Code of 1986, as the same may from time to time be amended and supplemented, including any regulations promulgated thereunder, any successor code thereto and any administrative or judicial interpretations thereof.
“Cost” means those costs that are allocable to the Project, as shall be determined on a project-specific basis in accordance with the Regulations, as the same may be amended by subsequent eligible costs as evidenced by a certificate of an Authorized Officer of the Trust.

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

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

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

“Interest” means the interest charged on the Loan at a rate of ____% and payable by the Borrower to the Trust (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan, on the date of such optional prepayment or acceleration, as the case may be.

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

“Loan Disbursement Requisition” means the requisition, to be executed by an Authorized Officer of the Borrower and approved by the New Jersey Department of Environmental Protection, in a form to be determined by the Trust and the New Jersey Department of Environmental Protection.

“Maturity Date” means __________, 201_, or such other date to which the repayment of the Loan shall be extended by the Trust in its sole discretion, which extension by the Trust shall be in connection with a delay in the closing for the Anticipated Financing Program.

“Principal” means the principal amount of the Loan, at any time being the lesser of (i) ______________________ Dollars ($_________________), or (ii) the aggregate outstanding amount as shall actually be disbursed to the Borrower by the Trust pursuant to one or more Loan Disbursement Requisitions, which Principal shall be payable by the Borrower to the Trust (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan, on the date of such optional prepayment or acceleration, as the case may be.

“Project” means the Environmental Infrastructure Facilities of the Borrower which constitutes a project for which the Trust is making the Loan to the Borrower.

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

“State” means the State of New Jersey.
“Trust Bonds” means the revenue bonds of the Trust to be issued, as part of the Anticipated Financing Program.

SECTION 2. Representations of the Borrower. The Borrower represents and warrants to the Trust:

(a) Organization. The Borrower: (i) is a municipal corporation duly created and validly existing under and pursuant to the Constitution and laws of the State; (ii) has full legal right and authority to execute, attest and deliver this Note, to sell this Note to the Trust, and to perform its obligations hereunder, and (iii) has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the issuance of this Note, the sale thereof to the Trust and the due performance of its obligations hereunder and (B) the execution, delivery and due performance of all certificates and other instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out and give effect to this Note.

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

(c) Pending Litigation. There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that, if adversely determined, would adversely affect (i) the condition (financial or otherwise) of the Borrower, (ii) the ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iii) the authorization, execution, attestation or delivery of this Note, (iv) the issuance of this Note and the sale thereof to the Trust, and (v) the Borrower’s ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Note.

(d) Compliance with Existing Laws and Agreements; Governmental Consent. (i) The due authorization, execution, attestation and delivery of this Note by the Borrower and the sale of this Note to the Trust, (ii) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder, including, without limitation, the repayment of the Loan and all other amount due hereunder, and (iii) the undertaking and completion of the Project, will not (A) other than the lien, charge or encumbrance created by this Note and by any other outstanding debt obligations of the Borrower that are at parity with this Note as to lien on, and source and security for payment thereon from, the general tax revenues of the Borrower, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result
in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations are subject. The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the authorization, execution, attestation and delivery of this Note, for the sale of this Note to the Trust, for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Note, and for the undertaking and completion of the Project.

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

SECTION 3. Covenants of the Borrower.

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

(b) Full Faith and Credit Pledge. To secure the repayment obligation of the Borrower with respect to this Note, and all other amounts due under this Note, the Borrower unconditionally and irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of any and all obligations and amounts due under this Note. The Borrower acknowledges that, to assure the continued operation and solvency of the Trust, the Trust 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 Trust in full any Loan repayments, any Interest or any other amounts due pursuant to this Note, an amount sufficient to satisfy such deficiency shall be paid by the State Treasurer to the Trust from State-aid otherwise payable to the Borrower.

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

(d) Financing With Tax Exempt Bonds. The Borrower acknowledges, covenants and agrees that it is the intention of the Borrower to finance the Project on a long term basis with proceeds of Trust Bonds now or hereinafter issued, the interest on which is excluded from gross income for purposes of federal income taxation pursuant to Section 103(a) of the Code (“tax exempt bonds”). In furtherance of such long term financing with tax exempt bonds, the Borrower covenants that, except to the extent expressly permitted in writing by the Trust, the Borrower will not take any action or permit any action to be taken which would result in any of the proceeds of the Loan being used (directly or indirectly) (i) in any “private business use”
within the meaning of Section 151(b)(6) of the Code, (ii) to make or finance loans to persons other than the Borrower, or (iii) to acquire any “nongovernmental output property” within the meaning of Section 151(d)(2) of the Code. In addition, the Borrower covenants and agrees that no portion of the Project will be investment property, within the meaning of Section 158(b) of the Code. The Borrower covenants and agrees that any Costs of the Borrower’s Project to be paid or reimbursed with proceeds of the Loan will result in the expenditure of proceeds under Treasury Regulations §1.158-6(d) and Treasury Regulations §1.150-2.

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

(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it shall keep accurate records and accounts for its Environmental Infrastructure System (the “System Records”), separate and distinct from its other records and accounts (the “General Records”), which shall be audited annually by an independent registered municipal accountant and shall be made available for inspection by the Trust upon prior written notice. The Borrower shall permit the Trust to inspect the Environmental Infrastructure System.

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

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

SECTION 4. Disbursement of the Loan Proceeds; Amounts Payable; Prepayment; and Late Fee. The Trust shall effectuate the Loan to the Borrower by making one or more disbursements to the Borrower promptly after receipt by the Trust of a Loan Disbursement Requisition, each such disbursement and the date thereof to be recorded by an Authorized Officer of the Trust on the table attached as Exhibit A hereto. The latest date upon which the Borrower may submit to the Trust a Loan Disbursement Requisition is _____ __, 201_. On the Maturity Date, the Borrower shall repay the Loan to the Trust in an amount equal to: (i) the Principal; (ii) the Interest; (iii) the Administrative Fee, if any; and (iv) any other amounts due and owing pursuant to the provisions of this Note. The Borrower may prepay the Loan the Loan obligations hereunder, in whole or in part, upon receipt of the prior written consent of an Authorized Officer of the Trust. Each payment made to the Trust shall be applied to the payment of, first, the Interest then due and payable, second, the Principal, third, the Administrative Fee, if obligations hereunder, in whole or in part, upon receipt of the prior written consent of an any, fourth, any late charges, and, finally, any other amount due pursuant to the provisions of this Note. In the event that the repayment obligation set forth in this Note is received by the Trust
later than the Maturity Date, a late fee shall be payable to the Trust in an amount equal to the
greater of twelve percent (12%) per annum or the prime rate as published in the Wall Street
Journal on the Maturity Date plus one half of one percent per annum on such late payment from
the Maturity Date to the date it is actually paid; provided, however, that any late payment
charges incurred hereunder shall not exceed the maximum interest rate permitted by law.

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

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

SECTION 7. Remedies upon Event of Default. Whenever an Event of Default shall
have occurred and be continuing pursuant to the terms hereof, the Borrower hereby
acknowledges and agrees to the rights of the Trust to take any action permitted or required at law
or in equity to collect the amounts then due and thereafter to become due hereunder or to enforce
the observance and performance of any duty, covenant, obligation or agreement of the Borrower
hereunder. If an Event of Default shall have occurred, the Borrower hereby acknowledges and
agrees that the Trust shall have the right to declare all Loan repayments and all other amounts
due hereunder to be due and payable immediately without further notice or demand. The Borrower hereby acknowledges and agrees that no remedy herein is intended to be exclusive, and every remedy shall be cumulative and in addition to every other remedy given under this Note or now or hereafter existing at law or in equity. The Borrower hereby further acknowledges and agrees that no delay or omission by the Trust to exercise any remedy or right accruing upon any Event of Default shall impair any such remedy or right or shall be construed to be a waiver thereof, but any such remedy or right may be exercised as often as may be deemed expedient. The Borrower hereby agrees that upon demand it shall pay to the Trust the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred in the collection of Loan repayments or any sum due hereunder or in the enforcement of the observation or performance of any obligations or agreements of the Borrower upon an Event of Default. Any moneys collected by the Trust pursuant to this Section 7 shall be applied first to pay any attorneys’ fees or other fees and expenses owed by the Borrower.

SECTION 8. Certain Miscellaneous Provisions. The Borrower hereby acknowledges and agrees as follows: (a) all notices hereunder shall be deemed given when hand delivered or when mailed by registered or certified mail, postage prepaid, to the Borrower at the following address: [Name and Address of Borrower, Attention: Name of Authorized Officer]; and to the Trust at the following address: New Jersey Environmental Infrastructure Trust, P.O. Box 440, Trenton, New Jersey 08625, Attention: Executive Director; (b) this Note shall be binding upon the Borrower and its successors and assigns; (c) in the event any provision of this Note is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof; (d) the obligations of the Borrower pursuant to the terms of this Note may not be assigned by the Borrower for any reason, unless the Trust shall have approved said assignment in writing; (e) this Note may not be amended, supplemented or modified without the prior written consent of the Trust; (f) this Note shall be governed by and construed in accordance with the laws of the State; (g) the Borrower shall, at the request of the Trust, execute and deliver such further instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Note; and (h) whenever the Borrower is required to obtain the determination, approval or consent of the Trust pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the Trust in its sole and absolute discretion.

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

[NAME OF BORROWER]

[SEAL]

ATTEST:

By:_______________________
Mayor

_____________________
Clerk

By:_______________________
Chief Financial Officer
EXHIBIT A

Loan Disbursements

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NOTE
RELATING TO:
THE INTERIM FINANCING TRUST LOAN PROGRAM - STATE FISCAL YEAR 2015
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

$__________________     ____________________, 201_
IFP-15-___

FOR VALUE RECEIVED, ____________________________________, a [municipal][county] [utilities][sewerage] authority, acting as a public body corporate and politic with corporate succession duly created and validly existing pursuant to the laws of the State (as hereinafter defined), including, without limitation, the Borrower Enabling Act (as hereinafter defined), and its successors and assigns (the “Borrower”), hereby promises to pay to the order of the NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, a public body corporate and politic with corporate succession, duly created and validly existing under and by virtue of the Act (as hereinafter defined) (the “Trust”), the Principal (as hereinafter defined), together with all unpaid accrued Interest (as hereinafter defined), fees, late charges and other sums due hereunder, if any, in lawful money of the United States of America, on the Maturity Date (as hereinafter defined) or the date of any optional prepayment or acceleration in accordance with the provisions of this note (this “Note”).

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

“Act” means the “New Jersey Environmental 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 a fee of up to four-tenths of one percent (.40%) of that portion of the Principal identified in clause (i) of the definition thereof (as set forth in this Section 1), or such lesser amount, if any, as the Trust may determine from time to time.

“Anticipated Financing Program” means the financing program of the Trust, pursuant to which the Trust will issue its Trust Bonds for the purpose of financing, on a long term basis, the Project and other projects of certain qualifying borrowers.

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

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

“Borrower Note Resolution” means the [resolution][indenture] of the Borrower entitled “[___________________]”, adopted on [___________________], as amended and supplemented from time to time, pursuant to which this Note has been issued.
“Borrower Enabling Act” means the [“Sewerage Authorities Law”, constituting Chapter 138 of the Pamphlet Laws of 1946 of the State (codified at N.J.S.A. 40:15A-1 et seq.), as the same may from time to time be amended and supplemented.][the “Municipal and County Utilities Authority Law”, constituting Chapter 183 of the Pamphlet Laws of 1957 of the State (codified at N.J.S.A. 40:15B-1 et seq., as the same may from time to time be amended and supplemented).]

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

“Cost” means those costs that are allocable to the Project, as shall be determined on a project-specific basis in accordance with the Regulations, as the same may be amended by subsequent eligible costs as evidenced by a certificate of an Authorized Officer of the Trust.

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

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

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

“Interest” means the interest charged on the Loan at a rate of ___% and payable by the Borrower to the Trust (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan, on the date of such optional prepayment or acceleration, as the case may be.

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

“Loan Disbursement Requisition” means the requisition, to be executed by an Authorized Officer of the Borrower and approved by the New Jersey Department of Environmental Protection, in a form to be determined by the Trust and the New Jersey Department of Environmental Protection.

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

“Maturity Date” means _____ __, 201_, or such other date to which the repayment of the Loan shall be extended by the Trust in its sole discretion, which extension by the Trust shall be in connection with a delay in the closing for the Anticipated Financing Program.
“Principal” means the principal amount of the Loan, at any time being the lesser of (i) ___________________ Dollars ($_________________), or (ii) the aggregate outstanding amount as shall actually be disbursed to the Borrower by the Trust pursuant to one or more Loan Disbursement Requisitions, which Principal shall be payable by the Borrower to the Trust (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan, on the date of such optional prepayment or acceleration, as the case may be.

“Project” means the Environmental Infrastructure Facilities of the Borrower which constitutes a project for which the Trust is making the Loan to the Borrower.

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

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

“State” means the State of New Jersey.

“Trust Bonds” means the revenue bonds of the Trust to be issued, as part of the Anticipated Financing Program.

SECTION 2. Representations of the Borrower. The Borrower represents and warrants to the Trust:

(a) **Organization.** The Borrower: (i) is a [municipal][county] [utilities][sewerage] authority, acting as a public body corporate and politic with corporate succession, duly created and validly existing under and pursuant to the Constitution and laws of the State, including, without limitation, the Borrower Enabling Act, and is subject to the Local Authorities Fiscal Control Law; (ii) has full legal right and authority to execute, attest and deliver this Note, to authorize the authentication of this Note, the sale thereof to the Trust and the due performance of its obligations hereunder, and (iii) has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the issuance of this Note, the authentication of this Note, the sale thereof to the Trust and the due performance of its obligations hereunder and (B) the execution, delivery and due performance of all certificates and other instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out and give effect to this Note.

(b) **Authority.** This Note has been duly authorized by the Borrower, duly executed, attested and delivered by Authorized Officers of the Borrower, and duly authenticated by the trustee or the paying agent pursuant to the Borrower Note Resolution. This Note has been duly sold by the Borrower to the Trust and duly issued by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforcement thereof may be affected by bankruptcy, insolvency or other laws or the application by a court of legal or equitable principles affecting creditors’ rights.
(c) **Pending Litigation.** There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that, if adversely determined, would adversely affect (i) the condition (financial or otherwise) of the Borrower, (ii) the adoption of the Borrower Note Resolution, (iii) the ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iv) the authorization, execution, attestation, authentication or delivery of this Note, (v) the issuance of this Note and the sale thereof to the Trust, and (vi) the Borrower’s ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Note.

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

(e) **Reliance.** The Borrower hereby acknowledges that the Trust is making the Loan to the Borrower pursuant to the terms hereof in reliance upon each of the representations of the Borrower set forth in this Section 2.
SECTION 3. Covenants of the Borrower.

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

(b) Full Faith and Credit Pledge. The Borrower irrevocably pledges the Revenues in accordance with the terms of, and to the extent provided in, the Borrower Note Resolution, for the punctual payment of any and all obligations and amounts due under this Note. The Borrower acknowledges that, to assure the continued operation and solvency of the Trust, the Trust 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 Trust in full any Loan repayments, any Interest or any other amounts due pursuant to this Note, an amount sufficient to satisfy such deficiency shall be paid by the State Treasurer to the Trust from State-aid otherwise payable to any municipality or county to which the Borrower provides services pursuant to a contractual arrangement.

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

(d) Financing With Tax-Exempt Bonds. The Borrower acknowledges, covenants and agrees that it is the intention of the Borrower to finance the Project on a long term basis with proceeds of Trust Bonds now or hereinafter issued, the interest on which is excluded from gross income for purposes of federal income taxation pursuant to Section 103(a) of the Code (“tax-exempt bonds”). In furtherance of such long term financing with tax-exempt bonds, the Borrower covenants that, except to the extent expressly permitted in writing by the Trust, the Borrower will not take any action or permit any action to be taken which would result in any of the proceeds of the Loan being used (directly or indirectly) (i) in any “private business use” within the meaning of Section 151(b)(6) of the Code, (ii) to make or finance loans to persons other than the Borrower, or (iii) to acquire any “nongovernmental output property” within the meaning of Section 151(d)(2) of the Code. In addition, the Borrower covenants and agrees that no portion of the Project will be investment property, within the meaning of Section 158(b) of the Code. The Borrower covenants and agrees that any Costs of the Borrower’s Project to be paid or reimbursed with proceeds of the Loan will result in the expenditure of proceeds under Treasury Regulations §1.158-6(d) and Treasury Regulations §1.150-2.

(e) Operation and Maintenance of Environmental Infrastructure System. The Borrower covenants and agrees that it shall maintain its Environmental Infrastructure System in good repair, working order and operating condition, and make all necessary and proper repairs and improvements with respect thereto.
(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it shall keep accurate records and accounts for its Environmental Infrastructure System, separate and distinct from its other records and accounts, which shall be audited annually by an independent registered municipal accountant and shall be made available for inspection by the Trust upon prior written notice. The Borrower shall permit the Trust to inspect the Environmental Infrastructure System.

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

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

SECTION 4. Disbursement of the Loan Proceeds; Amounts Payable; Prepayment; and Late Fee. The Trust shall effectuate the Loan to the Borrower by making one or more disbursements to the Borrower promptly after receipt by the Trust of a Loan Disbursement Requisition, each such disbursement and the date thereof to be recorded by an Authorized Officer of the Trust on the table attached as Exhibit A hereto. The latest date upon which the Borrower may submit to the Trust a Loan Disbursement Requisition is _______ __, 201_. On the Maturity Date, the Borrower shall repay the Loan to the Trust in an amount equal to: (i) the Principal; (ii) the Interest; (iii) the Administrative Fee, if any; and (iv) any other amounts due and owing pursuant to the provisions of this Note. The Borrower may prepay the Loan obligations hereunder, in whole or in part, upon receipt of the prior written consent of an Authorized Officer of the Trust. Each payment made to the Trust shall be applied to the payment of, first, the Interest then due and payable, second, the Principal, third, the Administrative Fee, if any, fourth, any late charges, and finally, any other amount due pursuant to the provisions of this Note. In the event that the repayment obligation set forth in this Note is received by the Trust later than the Maturity Date, a late fee shall be payable to the Trust in an amount equal to the greater of twelve percent (12%) per annum or the prime rate as published in the Wall Street Journal on the Maturity Date plus one half of one percent per annum on such late payment from the Maturity Date to the date it is actually paid; provided, however, that any late payment charges incurred hereunder shall not exceed the maximum interest rate permitted by law.

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

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

SECTION 7. Remedies upon Event of Default. Whenever an Event of Default shall have occurred and be continuing pursuant to the terms hereof, the Borrower hereby acknowledges and agrees to the rights of the Trust to take any action permitted or required at law or in equity to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder. If an Event of Default shall have occurred, the Borrower hereby acknowledges and agrees that the Trust shall have the right to declare all Loan repayments and all other amounts due hereunder to be due and payable immediately without further notice or demand. The Borrower hereby acknowledges and agrees that no remedy herein is intended to be exclusive, and every remedy shall be cumulative and in addition to every other remedy given under this Note or now or hereafter existing at law or in equity. The Borrower hereby further acknowledges and agrees that no delay or omission by the Trust to exercise any remedy or right accruing upon any Event of Default shall impair any such remedy or right or shall be construed to be a waiver thereof, but any such remedy or right may be exercised as often as may be deemed expedient. The Borrower hereby agrees that upon demand it shall pay to the Trust the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred in the collection of Loan repayments or any sum due hereunder or in the enforcement of the observation or performance of any obligations or agreements of the Borrower upon an Event of Default. Any moneys collected by the Trust pursuant to this Section 7 shall be applied first to pay any attorneys’ fees or other fees and expenses owed by the Borrower.
SECTION 8. Certain Miscellaneous Provisions. The Borrower hereby agrees as follows: (a) all notices hereunder shall be deemed given when hand delivered or when mailed by registered or certified mail, postage prepaid, to the Borrower at the following address: [Name and Address of Borrower, Attention: Name of Authorized Officer]; and to the Trust at the following address: New Jersey Environmental Infrastructure Trust, P.O. Box 440, Trenton, New Jersey 08625, Attention: Executive Director; (b) this Note shall be binding upon the Borrower and its successors and assigns; (c) in the event any provision of this Note is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof; (d) the obligations of the Borrower pursuant to the terms of this Note may not be assigned by the Borrower for any reason, unless the Trust shall have approved said assignment in writing; (e) this Note may not be amended, supplemented or modified without the prior written consent of the Trust; (f) this Note shall be governed by and construed in accordance with the laws of the State; (g) the Borrower shall, at the request of the Trust, execute and deliver such further instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Note; and (h) whenever the Borrower is required to obtain the determination, approval or consent of the Trust pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the Trust in its sole and absolute discretion.

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

[NAME OF BORROWER]

[SEAL]

By:_______________________

ATTEST: ___________________

Authorized Officer

______________________________________

Authorized Officer
TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

__________________________________,

as Trustee

By:____________________________________

Authorized Signatory
EXHIBIT A

Loan Disbursements

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[NAME OF PRIVATE BORROWER]

NOTE

RELATING TO:

THE INTERIM FINANCING TRUST LOAN PROGRAM - STATE FISCAL YEAR 2015

OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

$__________________     _________________, 201_

IFP-15-___

FOR VALUE RECEIVED, ____________________________________, a corporation duly created and validly existing pursuant to the laws of the State (as hereinafter defined), and its successors and assigns (the “Borrower”), hereby promises to pay to the order of the NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, a public body corporate and politic with corporate succession, duly created and validly existing under and by virtue of the Act (as hereinafter defined) (the “Trust”), the Principal (as hereinafter defined), the Principal (as hereinafter defined), together with all unpaid accrued Interest (as hereinafter defined), fees, late charges and other sums due hereunder, if any, in lawful money of the United States of America, on the Maturity Date (as hereinafter defined) or the date of any optional prepayment or acceleration in accordance with the provisions of this note (this “Note”).

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

“Act” means the “New Jersey Environmental 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 a fee of up to four-tenths of one percent (.40%) of that portion of the Principal identified in clause (i) of the definition thereof (as set forth in this Section 1), or such lesser amount, if any, as the Trust may determine from time to time.

“Anticipated Financing Program” means the financing program of the Trust, pursuant to which the Trust will issue its Trust Bonds for the purpose of financing, on a long term basis, the Project and other projects of certain qualifying borrowers.

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

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

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

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

“Cost” means those costs that are allocable to the Project, as shall be determined on a project-specific basis in accordance with the Regulations, as the same may be amended by subsequent eligible costs as evidenced by a certificate of an Authorized Officer of the Trust.

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

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

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

“Interest” means the interest charged on the Loan at a rate of _ percent (_,%) per annum and payable by the Borrower to the Trust (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan, on the date of such optional prepayment or acceleration, as the case may be.

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

“Loan Disbursement Requisition” means the requisition, to be executed by an Authorized Officer of the Borrower and approved by the New Jersey Department of Environmental Protection, in a form to be determined by the Trust and the New Jersey Department of Environmental Protection.

“Maturity Date” means _______ __, 201_, or such other date to which the repayment of the Loan shall be extended by the Trust in its sole discretion, which extension by the Trust shall be in connection with a delay in the closing for the Anticipated Financing Program.

“Principal” means the principal amount of the Loan, at any time being the lesser of (i) ___ Dollars ($_______), or (ii) the aggregate outstanding amount as shall actually be disbursed to the Borrower by the Trust pursuant to one or more Loan Disbursement Requisitions, which Principal shall be payable by the Borrower to the Trust (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan, on the date of such optional prepayment or acceleration, as the case may be.
“Project” means the Environmental Infrastructure Facilities of the Borrower which constitutes a project for which the Trust is making the Loan to the Borrower.

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

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

“State” means the State of New Jersey.

“Trust Bonds” means the revenue bonds of the Trust to be issued, as part of the Anticipated Financing Program.

SECTION 2. Representations of the Borrower. The Borrower represents and warrants to the Trust:

(a) Organization. The Borrower: (i) is a corporation duly created and validly existing under and pursuant to the Constitution and laws of the State, including the Business Corporation Law; (ii) has full legal right and authority to execute, attest and deliver this Note, to authorize the authentication of this Note, to sell this Note to the Trust, and to perform its obligations hereunder, and (iii) has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the issuance of this Note, the authentication of this Note, the sale thereof to the Trust and the due performance of its obligations hereunder and (B) the execution, delivery and due performance of all certificates and other instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out and give effect to this Note.

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

(c) Pending Litigation. There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that, if adversely determined, would adversely affect (i) the condition (financial or otherwise) of the Borrower, (ii) the adoption of the Borrower Note Resolution, (iii) the ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iv) the authorization, execution, attestation, authentication or delivery of this Note, (v) the issuance of this Note and the sale thereof to the Trust, and (vi) the Borrower’s ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Note.
(d) **Compliance with Existing Laws and Agreements; Governmental Consent.** (i) The authorization, execution, attestation and delivery of this Note by the Borrower, (ii) the authentication of this Note by the trustee or paying pursuant to the Borrower Note Resolution, (iii) the adoption of the Borrower Note Resolution, (iv) the sale of this Note to the Trust, (v) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder, including, without limitation, the repayment of the Loan and all other amounts due hereunder, and (vi) the undertaking and completion of the Project, will not (A) other than the lien, charge or encumbrance created by this Note and by any other outstanding debt obligations of the Borrower that are at parity with this Note as to lien on, and source and security for payment thereon from, the Revenues of the Borrower’s Environmental Infrastructure System, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations are subject. The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the authorization, execution, attestation, authentication and delivery of this Note, for the sale of this Note to the Trust, for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Note, and for the undertaking and completion of the Project.

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

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

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

(b) **Pledge.** The Borrower irrevocably pledges the Revenues in accordance with the terms of, and to the extent provided in, the Borrower Note Resolution, for the punctual payment of any and all obligations and amounts due under this Note.

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

(d) Financing With Tax Exempt Bonds. The Borrower acknowledges, covenants and agrees that it is the intention of the Borrower to finance the Project on a long term basis with proceeds of Trust Bonds now or hereinafter issued, the interest on which is excluded from gross income for purposes of federal income taxation pursuant to Section 103(a) of the Code ("tax-exempt bonds"). In furtherance of such long term financing with tax-exempt bonds, the Borrower covenants that, except to the extent expressly permitted in writing by the Trust, the Borrower will not take any action or permit any action to be taken which would result in any of the proceeds of the Loan being used (directly or indirectly) to make or finance loans to persons other than the Borrower. In addition, the Borrower covenants and agrees that (i) all of the proceeds of the Loan will be used to pay costs of an exempt facility, within the meaning of Section 142 of the Code, which were paid and incurred by the Borrower no more than 60 days before the date on which the Trust adopted a declaration of intent with respect to the Project, and (ii) no portion of the Project will be investment property, within the meaning of Section 148(b) of the Code. The Borrower covenants and agrees that any Costs of the Borrower’s Project to be paid or reimbursed with proceeds of the Loan will result in the expenditure of proceeds under Treasury Regulations §1.148-6(d) and Treasury Regulations §1.150-2.

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

(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it shall keep accurate records and accounts for its Environmental Infrastructure System, separate and distinct from its other records and accounts, which shall be audited annually by an independent registered certified public accountant and shall be made available for inspection by the Trust upon prior written notice. The Borrower shall permit the Trust to inspect the Environmental Infrastructure System.

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

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

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

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

SECTION 7. Remedies upon Event of Default. Whenever an Event of Default shall have occurred and be continuing pursuant to the terms hereof, the Borrower hereby acknowledges and agrees to the rights of the Trust to take any action permitted or required at law or in equity to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder. If an Event of Default shall have occurred, the Borrower hereby acknowledges and agrees that the Trust shall have the right to declare all Loan repayments and all other amounts due hereunder to be due and payable immediately without further notice or demand. The Borrower hereby acknowledges and agrees that no remedy herein is intended to be exclusive, and every remedy shall be cumulative and in addition to every other remedy given under this Note or now or hereafter existing at law or in equity. The Borrower hereby further acknowledges and agrees that no delay or omission by the Trust to exercise any remedy or right accruing upon any Event of Default shall impair any such remedy or right or shall be construed to be a waiver thereof, but any such remedy or right may be exercised as often as may be deemed expedient. The Borrower hereby agrees that upon demand it shall pay to the Trust the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred in the collection of Loan repayments or any sum due hereunder or in the enforcement of the observance or performance of any obligations or agreements of the Borrower upon an Event of Default. Any moneys collected by the Trust pursuant to this Section 7 shall be applied first to pay any attorneys’ fees or other fees and expenses owed by the Borrower.

SECTION 8. Certain Miscellaneous Provisions. The Borrower hereby agrees as follows: (a) all notices hereunder shall be deemed given when hand delivered or when mailed by registered or certified mail, postage prepaid, to the Borrower at the following address: [Name and Address of Borrower, Attention: Name of Authorized Officer]; and to the Trust at the following address: New Jersey Environmental Infrastructure Trust, P.O. Box 440, Trenton, New Jersey 08625, Attention: Executive Director; (b) this Note shall be binding upon the Borrower and its successors and assigns; (c) in the event any provision of this Note is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof; (d) the obligations of the Borrower pursuant to the terms of this Note may not be assigned by the Borrower for any reason, unless the Trust shall have approved said assignment in writing; (e) this Note may not be amended, supplemented or modified without the prior written consent of the Trust; (f) this Note shall be governed by and construed in accordance with the laws of the State; (g) the Borrower shall, at the request of the Trust, execute and deliver such further instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Note; and (h) whenever the Borrower is required to obtain the determination, approval or consent of the Trust pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the Trust in its sole and absolute discretion.
[The remainder of this page has been left blank intentionally.]
IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed, sealed and delivered on the date first above written.

[NAME OF BORROWER]

[SEAL]

ATTEST: By: ______________________
Authorized Officer

___________________
Authorized Officer
TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

__________________________________,

as Trustee

By:______________________________________

Authorized Signatory
## EXHIBIT A

**Loan Disbursements**

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RESOLUTION NO. 14-26

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST RELATING TO THE PARTICIPATION IN THE INTERIM FINANCING STATE FISCAL YEAR 2015 TRUST LOAN PROGRAM OF THE BOROUGH OF WILDCREST

WHEREAS, the New Jersey Environmental Infrastructure Trust (the “Trust”), in accordance with (i) the “New Jersey Environmental Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (codified at N.J.S.A. 58:11B-1 et seq.), as the same may from time to time be amended and supplemented (the “Act”), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 et seq.), as the same may from time to time be amended and supplemented (the “Regulations”), is authorized, pursuant to an interim financing program (the “Interim Financing Program”), to make loans (each, an “Interim Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Interim Loan satisfies the requirements of the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

WHEREAS, pursuant to the provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for an Interim Loan pursuant to the Interim Financing Program, provided all of the following conditions are satisfied in full: (i) the project is listed on the project priority list developed in accordance with N.J.A.C. 7:22-4.8(a) for funding in the forthcoming State Fiscal Year; (ii) the proposed project sponsor has submitted a complete application for the project in accordance with N.J.A.C. 7:22-4.11; (iii) the project has been certified for funding by the Trust in accordance with N.J.A.C. 7:22-4.13; (iv) the project is in the fundable range in the forthcoming funding cycle given the project’s rank and the anticipated availability of Department of Environmental Protection (the “Department”) and Trust monies; and (v) the proposed project sponsor has not previously received an Interim Loan through the Interim Financing Program for the same project scope; and

WHEREAS, in order to provide funding for the implementation of the Interim Financing Program during State Fiscal Year 2015 (the “Interim Financing SFY 2015 Trust Loan Program”), the Trust duly adopted a resolution on May 8, 2014 (the “Trust Authorizing Resolution”) entitled “Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the Interim Financing State Fiscal Year 2015 Trust Loan Program” (the “Authorizing Resolution”); and

WHEREAS, pursuant to the terms of the Authorizing Resolution, the Authorized Officers (as defined therein) are each severally authorized, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, to approve the participation of a Borrower in the Interim Financing SFY 2015 Trust Loan Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations and the terms of the Trust Authorizing Resolution; and
WHEREAS, pursuant to Section 3 of the Trust Authorizing Resolution, any Interim Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Interim Financing SFY 2015 Trust Loan Program shall not exceed $10,000,000 in principal amount, subject to further official action in the form of the adoption of a resolution by the Board of Directors of the Trust; and

WHEREAS, the Borough of Wildwood Crest (“Wildwood Crest”) has requested from the Trust an Interim Loan from the Interim Financing SFY 2015 Trust Loan Program, in anticipation of a long-term loan from each of the Trust and the Department as part of the SFY 2015 New Jersey Environmental Infrastructure Financing Program, for the purpose of completing two environmental infrastructure projects to be constructed in Wildwood Crest and designated by the Department as Projects #S340179-03 and S340719-04 (collectively, the “Wildwood Crest Projects”); and

WHEREAS, pursuant to the construction schedules with respect to the completion of the Wildwood Crest Projects, the expenditure of approximately $13,962,000 for the Wildwood Crest Projects is required prior to the anticipated procurement by Wildwood Crest of the long-term loan from each of the Trust and the Department as part of the SFY 2015 New Jersey Environmental Infrastructure Financing Program, thereby resulting in a request by Wildwood Crest for an Interim Loan from the Interim Financing SFY 2015 Trust Loan Program in an amount not to exceed $13,962,000; and

WHEREAS, with respect to the limitation established in Section 3 of the Authorizing Resolution providing that any Interim Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Interim Financing SFY 2015 Trust Loan Program shall not exceed $10,000,000 in principal amount, subject to further official action in the form of the adoption of a resolution by the Board of Directors of the Trust, the Trust now desires, given the facts and circumstances set forth in the recitals hereto, to create as an exception to such limitation an Interim Loan, as part of the Interim Financing SFY 2015 Trust Loan Program, to Wildwood Crest in an amount not to exceed $13,962,000 for the purpose of completing the Wildwood Crest Projects; and

WHEREAS, it is the desire of the Trust that, other than the exception to Section 3 of the Authorizing Resolution described in the immediately preceding recital, Wildwood Crest shall comply with (i) all other requirements of the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

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

Section 1. Notwithstanding the limitation established in Section 3 of the Authorizing Resolution providing that any Interim Loan approved by the Authorized Officers, following the requisite consultations, and made by the Trust to a Borrower as part of the Interim Financing SFY 2015 Trust Loan Program shall not exceed $10,000,000 in principal amount, the Board of
Directors of the Trust, given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to such limitation established in Section 3 of the Authorizing Resolution, an Interim Loan, as part of the Interim Financing SFY 2015 Trust Loan Program, to Wildwood Crest in an amount not to exceed $13,962,000 for the purpose of completing the Wildwood Crest Projects.

Section 2. Other than the exception created by the provisions of Section 1 of this Resolution, the Interim Loan made to Wildwood Crest as part of the Interim Financing SFY 2015 Trust Loan Program shall comply fully with (i) each of the terms, provisions and conditions precedent set forth in the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

Adopted Date: May 8, 2014

Motion Made By: Mr. Sickels

Motion Seconded By: Ms. Campbell

Ayes: 6

Nays: 0

Abstentions: 0
RESOLUTION No. 14-27

RESOLUTION OF THE TRUST APPOINTING A FINANCIAL ADVISOR
FOR FY2015 AND FY2016 FINANCING PROGRAMS

WHEREAS, the Trust authorized solicitation of proposals for Financial Advisor Services in Resolution No. 14-09 pursuant to Executive Order No. 26 (Whitman) and N.J.S.A. 58:11B-5(i); and

WHEREAS, upon requesting proposals for the services of a financial advisor, the New Jersey Environmental Infrastructure Trust (the "Trust") has received and reviewed three proposals; and

WHEREAS, the committee of the Trust reviewed the proposals and following extensive discussions recommends that Public Financial Management (PFM) be appointed as the financial advisor to the Trust.

NOW THEREFORE BE IT RESOLVED, the Executive Director send a letter of intent to make the appointment to PFM, which letter also states that the appointment is from July 1, 2014 through June 30, 2016; with an option to extend one-year upon approval by the Board and contingent upon the subsequent execution by all parties of an agreement substantially in the form of the agreement authorized by the Attorney General; and

BE IT FURTHER RESOLVED, the Chairman or Vice Chairman of the Trust is hereby authorized to execute an agreement, substantially in the form of the agreement authorized by the Attorney General, with PFM. The terms and conditions of that agreement shall include but not be limited to:

a. The provision of services as outlined in the Trust’s RFP distributed on March 19, 2014, the proposal submitted by PFM, dated April 24, 2014 and the Best and Final offer submitted May 1, 2014; and

b. The payment for the first year of all fees for all services concerning the FY2015 pooled financing program including disbursements for expenses not in excess of $160,000 for the first 50 borrowers with an incremental fee of $750 per borrower for each additional borrower; and the payment for the second year of all fees for all services including disbursements for expenses not in excess of $165,000 for the first 50 borrowers with an incremental fee of $750 per borrower for each additional borrower; and

c. Such other terms and conditions as may be contemplated by the RFP and the materials enclosed therewith as deemed necessary and appropriate by the Chairman or Vice Chairman of the Trust.

Adopted Date: May 8, 2014
Motion Made By: Ms. Campbell
Motion Seconded By: Mr. Ellis
Ayes: 6
Nays: 0
Abstentions: 0
RESOLUTION NO. 14-28

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING DIRECT LOANS TO CERTAIN BORROWERS PARTICIPATING IN THE STATE FISCAL YEAR 2014 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM

WHEREAS, pursuant to Section 5(m) and Section 9(a) of the New Jersey Environmental 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 Environmental Infrastructure Trust, a public body corporate and politic under the laws of the State, created pursuant to the Act (the “Trust”), is authorized to make and contract to make loans (each, a “Trust Loan”) to project sponsors (each, a “Project Sponsor”) to finance a portion of the costs of the respective environmental infrastructure system projects thereof (each, a “Project”), 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 Trust shall determine to be consistent with the Act and the purposes of the Trust; and

WHEREAS, the Project Sponsors set forth in Schedule I attached hereto (each, a “Direct Loan Borrower” and, collectively, the “Direct Loan Borrowers”) have sought financial assistance from the Trust in connection with the respective Projects thereof that bear the corresponding numeric designations set forth in Schedule I attached hereto (each, a “Direct Loan Project” and, collectively, the “Direct Loan Projects”); and

WHEREAS, it currently is estimated by each Direct Loan Borrower that the portion of the total cost of its respective Direct Loan Project to be financed by the Trust will represent a low Project cost relative to the cost of other Projects for which other Project Sponsors seek financing from the Trust, and, in connection with such Direct Loan Project costs, each Direct Loan Borrower seeks financial assistance from the Trust in the form of a Trust Loan (each, a “Direct Trust Loan” and, collectively, the “Direct Trust Loans”) in a principal amount not to exceed the amount set forth under the heading “Maximum Trust Loan Amount” in Schedule I attached hereto with respect to the respective and corresponding Direct Loan Project of each such Direct Loan Borrower (each, a “Maximum Trust Loan Amount”), with additional financial assistance to be provided to each Direct Loan Borrower for the balance of the cost of its respective Direct Loan Project in the form of a loan (each, a “NJDEP Loan” and, collectively, the “NJDEP Loans”) from the State, acting by and through the New Jersey Department of Environmental Protection (the “NJDEP”); and

WHEREAS, as an alternative to the funding of the Direct Trust Loans from proceeds of bonds to be issued by the Trust as part of its State Fiscal Year 2014 Environmental Infrastructure Financing Program, it is in the administrative interests of the Trust, given the low principal amount of each Direct Trust Loan and the nature of each Direct Loan Project, that the Trust fund the Direct Trust Loans as so-called direct loans as part of the direct loan initiative of the Trust (the “Direct Loan Program”) from (i) investment earnings available to the Trust for such purposes
and/or (ii) operating funds of the Trust that are not required for, or committed to, the operation of the Trust for fiscal years 2014 and 2015 (collectively, the “Available Funds”); and

WHEREAS, on February 9, 2012, the Board of Directors of the Trust (the “Board”) adopted a resolution entitled “Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Relating to the Direct Loan Program and Certain Policies Regarding the Administration Thereof and the Granting of Direct Loans” (the “Direct Loan Policy Resolution”), which Direct Loan Policy Resolution sets forth the Direct Loan Program Criteria (as such term is defined in the Direct Loan Policy Resolution) for use by the Trust for the purpose of identifying a Project that shall be appropriate for funding through the Direct Loan Program of the Trust, and such Direct Loan Program Criteria, either one of which, or both collectively, may be deemed by the Board to be determinative, include the following: (i) the loan by the Trust to the Project Sponsor pursuant to the Direct Loan Program shall not exceed $300,000; and (ii) the Project Sponsor shall be the subject of economic hardship and/or shall lack administrative staff and/or expertise in matters relating to the completion and the financing of the Direct Loan Project; and

WHEREAS, each Direct Loan Borrower and the Direct Loan Project thereof satisfies clause (i) of the Direct Loan Program Criteria, due to the fact that the principal amount of such Direct Trust Loan is expected to be less than or equal to $300,000; and

WHEREAS, each Direct Trust Loan shall be extended by the Trust to each Direct Loan Borrower, and each Direct Loan Borrower shall repay its Direct Trust Loan to the Trust, pursuant to the terms and provisions of a loan agreement (each, a “Direct Trust Loan Agreement” and, collectively, the “Direct Trust Loan Agreements”), by and between the Trust and such Direct Loan Borrower; and

WHEREAS, the rate of interest to be paid by each Direct Loan Borrower to the Trust with respect to the repayment of its Direct Trust Loan shall be calculated in the following manner (the “Interest Rate Calculation”), so as to achieve an objectively determined rate of interest that is reflective of the policy goals as set forth in the Direct Loan Policy Resolution, this Resolution and the market as of the date of closing for each Direct Trust Loan: (i) the interest rate as determined, on the date of closing for each Direct Trust Loan, by the Municipal Market Advisors pursuant to their MMD Index, (ii) plus (or minus) the number of basis points by which the interest rate on the most recently issued tax-exempt (non-AMT) Environmental Infrastructure Bonds issued by the Trust to provide new financing for Projects (the “Bonds”) exceeded (or was less than) the MMD Index on the date on which such Bonds were sold, and (iii) with such determination being made as a scale for each year of the life of such Direct Trust Loan and thereupon converted into an average rate based upon the weighted average maturity schedule, thereby establishing level debt service comparable to the amortization of a mortgage loan; and

WHEREAS, it is the desire of the Trust, subject to the terms and provisions of the Act, the Direct Loan Policy Resolution and this Resolution, to authorize each Direct Trust Loan to the respective Direct Loan Borrower in an amount not to exceed the respective Maximum Trust Loan Amount (all as identified in Schedule I attached hereto and made a part hereof) for the purpose of financing a portion of the cost of the respective Direct Loan Project thereof (as identified in
Schedule I attached hereto and made a part hereof, pursuant to the respective terms and provisions of the respective Direct Trust Loan Agreement.

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

Section 1. The Board hereby approves the making of each Direct Trust Loan to the respective Direct Loan Borrower (as identified in Schedule I attached hereto and made a part hereof), as part of the Direct Loan Program of the Trust, for the purpose of financing a portion of the cost of the respective Direct Loan Project thereof (as identified in Schedule I attached hereto and made a part hereof), provided that (i) the principal amount of each Direct Trust Loan shall not exceed the applicable Maximum Trust Loan Amount with respect to such Direct Loan Project (as identified in Schedule I attached hereto and made a part hereof), (ii) each Direct Trust Loan shall be funded solely from the Available Funds, (iii) each Direct Trust Loan shall comply fully with the provisions of the Act, the Direct Loan Policy Resolution and this Resolution, (iv) each Direct Trust Loan shall be made by the Trust to the respective Direct Loan Borrower, and the repayment thereof shall be made by such Direct Loan Borrower to the Trust, pursuant to the terms and provisions of a Direct Trust Loan Agreement, in substantially the form attached hereto as Exhibit A and made a part hereof, with such revisions and modifications thereto as shall be approved by the Chairman, the Vice Chairman or the Executive Director of the Trust (each, an “Authorized Officer”) after consultation with Bond Counsel to the Trust 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 each Direct Trust Loan by the respective Direct Loan Borrower shall be calculated pursuant to the Interest Rate Calculation.

Section 2. Each Authorized Officer is hereby severally authorized and directed to execute (i) each Direct Trust Loan Agreement and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the making of the Direct Trust Loans by the Trust to each respective Direct Loan Borrower.

Section 3. Upon execution of each Direct Trust Loan Agreement by an Authorized Officer, the Secretary and the Assistant Secretary of the Trust are each hereby severally authorized and directed, where required, to affix the corporate seal of the Trust, 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 Direct Trust Loan by the Trust to such Direct Loan Borrower.

Section 4. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his respective sole discretion after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

Section 5. This Resolution shall take effect immediately, subject to the provisions of the Act.
Adopted Date: May 8, 2014

Motion Made By: Mr. Briant

Motion Seconded By: Mr. Sickels

Ayes: 6

Nays: 0

Abstentions: 0
## Schedule I

**Direct Loan Borrowers**

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LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

AND

[NAME OF BORROWER]

DATED AS OF [DATE OF LOAN CLOSING]
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NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN AGREEMENT

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

WITNESSETH THAT:

WHEREAS, the Trust, in accordance with the Act and a financial plan approved by the State Legislature in accordance with Sections 22 and 22.1 of the Act, is authorized to make the Loan to the Borrower to finance a portion of the Costs of Environmental Infrastructure Facilities;

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

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

WHEREAS, the Trust has approved the Borrower’s application for a Loan from available Trust funds to finance a portion of the Costs of the Project;

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

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

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

SECTION 1.01. Definitions.

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

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

“Administrative Fee” means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder as an annual fee of up to four-tenths of one percent (.40%) of the initial principal amount of the Loan or such lesser amount, if any, as may be authorized by any act of the State Legislature and as the Trust may approve from time to time.

“Authorized Officer” means, in the case of the 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.

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

“Borrower” means the New Jersey county or municipality that is a party to this Loan Agreement, and its successors and assigns, as further described in Schedule A 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 Trust to evidence the Borrower’s obligations to pay the Loan Repayments and all other amounts due and owing by the Borrower under this Loan Agreement, a specimen of which is attached hereto as Exhibit D and made a part hereof, pursuant to which the Borrower shall, if necessary, levy ad valorem taxes upon all the taxable property within the jurisdiction of the Borrower without limitation as to rate or amount.

“Borrowers” means any Local Government Unit or Private Entity (as such terms are defined in the Regulations) other than the Borrower authorized to construct, operate and maintain Environmental Infrastructure Facilities that have entered into Loan Agreements with the Trust pursuant to which the Trust will make Loans to such recipients. All Loans made to Borrowers (which by definition excludes the Loan made to the Borrower) will be financed, unlike the Loan made to the Borrower hereunder, from the proceeds of Trust Bonds.

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

“Department” means the New Jersey Department of Environmental Protection

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

“Environmental Infrastructure System” means the Environmental Infrastructure Facilities of the Borrower, including the Project, described in Exhibit A-1 attached hereto and made a part hereof for which the Borrower is borrowing the Loan under this Loan Agreement.

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

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

“Fund Loan” means the loan made simultaneously herewith to the Borrower by the State, acting by and through the Department, pursuant to the Fund Loan Agreement.

"Fund Loan Agreement" means the loan agreement dated as of the date hereof, by and between the Borrower and the State, acting by and through the Department, regarding the terms and conditions of the Fund Loan.

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

"Interest Portion" means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder that has been established at Loan Closing (i) as set forth in Exhibit A-2 hereof under the column heading entitled "Interest", or (ii) with respect to any prepayment of Loan Repayments, interest accrued on any principal amount of any such Loan Repayments to the date of any such Loan Repayments at the rate of interest established at Loan Closing.

"Loan" means the loan made by the Trust to the Borrower to finance or refinance a portion of the Costs of the Project pursuant to this Loan Agreement.

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

"Loan Agreements" means any other loan agreements entered into by and between the Trust and one or more of the Borrowers pursuant to which the Trust will make Loans to such Borrowers.

"Loan Closing" means the date upon which the Trust shall fund the Loan and the Borrower shall deliver its fully authorized, executed and attested Borrower Bond, to the Trust.
"Loan Repayments" means the sum of (i) the principal amount of the Loan payable at the times and in the amounts set forth on Exhibit A-2 hereto under the column heading entitled “Principal”, (ii) the Administrative Fee, and (iii) any late charges incurred hereunder.

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

"Loans" means the loans made by the Trust to the Borrowers under the Loan Agreements.

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

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

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

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

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

“State” means the State of New Jersey.

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

"Trust Bonds" means bonds authorized by Section 2.03 of the Bond Resolution, together with any refunding bonds authenticated and delivered pursuant to Section 2.04 of the Bond Resolution, in each case issued by the Trust in order to finance, among other things, the Loans to the Borrowers.

“Trustee” means, initially, U.S. Bank National Association, the Trustee appointed by the Trust and its successors as Trustee under the Bond Resolution, as provided in Article X of the Bond Resolution.
(b) In addition to the capitalized terms defined in subsection (a) of this Section 1.01, certain additional capitalized terms used in this Loan Agreement shall, unless the context clearly requires otherwise, have the meanings ascribed to such additional capitalized terms in Schedule A attached hereto and made a part hereof.

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

REPRESENTATIONS AND COVENANTS OF BORROWER

SECTION 2.01.   Representations of Borrower. The Borrower represents for the benefit of the Trust as follows:

(a) Organization and Authority.

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

   (ii) The acting 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 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 official no longer the duly acting official of such Borrower, all such actions previously taken by such official are still in full force and effect.

   (iii) The Borrower has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain its Environmental Infrastructure System, to carry on its activities relating thereto, to execute, attest and deliver this Loan Agreement and the Borrower Bond, to sell the Borrower Bond to the Trust, 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 Trust and authorizing the Borrower to undertake and complete the Project, including, without limitation, the “Proceedings”, were duly published in accordance with 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 necessary 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 Trust 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 Trust and duly issued by the Borrower; and assuming that the Trust 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 Trust, enforceable against the Trust in accordance with its terms, each of this Loan Agreement and the Borrower Bond constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms, except as the enforcement thereof may be affected by bankruptcy, insolvency or other laws or the application by a court of legal or equitable principles affecting creditors' rights; and the information contained under "Description of Loan" in Exhibit A-2 attached hereto and made a part hereof is true and accurate in all respects.

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

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

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

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

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

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

Use of Proceeds. The Borrower will apply the proceeds of the Loan from the Trust as described in Exhibit B attached hereto and made a part hereof (i) to finance or refinance 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 Trust and is eligible for such reimbursement under and pursuant to the Regulations and any other applicable law. All of such costs constitute Costs for which the Trust 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 Trust, the Trust 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 Trust in full any Loan Repayments, an amount sufficient to satisfy such deficiency shall be paid by the New Jersey State Treasurer to the Trust from State-aid otherwise payable to the Borrower.

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

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

(d) **Disposition of Environmental Infrastructure System.** The Borrower shall not sell, lease, abandon or otherwise dispose of all or substantially all of its Environmental Infrastructure System except on ninety (90) days’ prior written notice to the Trust, and, in any event, shall not so sell, lease, abandon or otherwise dispose of the same unless the Borrower shall, in accordance with Section 4.02 hereof, assign this Loan Agreement and the Borrower Bond and its rights and interests hereunder and thereunder to the purchaser or lessee of the Environmental Infrastructure System, and such purchaser or lessee shall assume all duties, covenants, obligations and agreements of the Borrower under this Loan Agreement and the Borrower Bond.

(e) **Reserved.**

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

(g) **Records and Accounts.**

(i) The Borrower shall keep accurate records and accounts for its Environmental Infrastructure System (the “System Records”) separate and distinct from its other records and accounts (the “General Records”). Such System Records and General Records shall be made available for inspection by the Trust at any reasonable time upon prior written notice.

(ii) **Reserved.**

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

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

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

(k) **Delivery of Documents.** Concurrently with the delivery of this Loan Agreement (as previously authorized, executed and attested) at the Loan Closing, the Borrower will cause to be delivered to the Trust 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 the Trust 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 opinion of the Trust, such variances are not to the material detriment of the interests of the Trust;

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

(iii) copies of those ordinances and/or resolutions finally adopted by the governing body of the Borrower and requested by the Trust, including, without limitation, (A) the resolution of the Borrower authorizing the execution, attestation and delivery of this Loan Agreement, (B) the ordinances and resolutions of the Borrower authorizing the execution, attestation, sale and delivery of the Borrower Bond to the Trust, (C) the resolution of the Borrower, if any, confirming the details of the sale of the Borrower Bond to the Trust, (D) the resolution of the Local Finance Board approving the issuance by the Borrower of the Borrower Bond to the Trust and setting forth any other approvals required therefor by the Local Finance Board, and (E) any other Proceedings;

(iv) reserved; and

(v) the certificates of insurance coverage as required pursuant to the terms of Section 3.06(d) hereof and such other certificates, documents, opinions and information as the Trust may require in Exhibit F hereto, if any.
(I) **Execution and Delivery of Borrower Bond.** Concurrently with the delivery of this Loan Agreement at the Loan Closing, the Borrower shall also deliver to the Trust the Borrower Bond, as previously executed and attested, upon the receipt of a written certification of the Trust. A portion of the net proceeds of the Trust Bonds shall be segregated on the books and records of the Trust for the Loan simultaneously with the delivery of the Borrower Bond.

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

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

(o) **Additional Covenants and Requirements.** (i) No later than the Loan Closing and, if necessary, in connection with the making of the Loan, additional covenants, representations and requirements have been included in Exhibit F hereto and made a part hereof. Such covenants, representations and requirements may include, but need not be limited to, the maintenance of specified levels of Environmental Infrastructure System rates, the issuance of additional debt of the Borrower or the transfer of revenues and receipts from the Borrower’s Environmental Infrastructure System. By executing this Loan Agreement, the Borrower agrees to observe and comply with each such additional covenant, representation 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 and requirements have been included in Schedule A attached hereto and made a part hereof. Such additional defined terms, covenants and requirements are incorporated in this 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 and requirement included in Schedule A as if the same were set forth in its entirety where reference thereto is made in this Loan Agreement.
ARTICLE III

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. Loan; Loan Term. The Trust hereby agrees to make the Loan as described in Exhibit A-2 hereof and to disburse proceeds of the Loan to the Borrower in accordance with Section 3.02 and Exhibit C hereof, and the Borrower hereby agrees to borrow and accept the Loan from the Trust upon the terms set forth in Exhibit A-2 attached hereto and made a part hereof; provided, however, that the Trust shall be under no obligation to make the Loan if (a) at the Loan Closing, the Borrower does not deliver to the Trust a Borrower Bond and such other documents required under Section 2.02(k) hereof, or (b) an Event of Default has occurred and is continuing under this Loan Agreement. Although the Trust intends to disburse proceeds of the Loan to the Borrower at the times and up to the amounts set forth in Exhibit C to pay a portion of the Costs of the Project, due to unforeseen circumstances there may not be a sufficient amount on deposit with the Trust on any date to make the disbursement in such amount. Nevertheless, the Borrower agrees that the amount actually segregated on the books of the Trust for the purpose of the Loan at the Loan Closing shall constitute the initial principal amount of the Loan (as the same may be adjusted downward in accordance with the definition thereof), and the Trust shall have no obligation thereafter to loan any additional amounts to the Borrower.

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

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 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 Trust shall disburse the proceeds of the Loan to the Borrower upon receipt of a requisition executed by an Authorized Officer of the Borrower, and approved by the Trust, in a form approved by the Trust.

(b) The Trust shall not be required to disburse any Loan proceeds to the Borrower under this Loan Agreement, unless:

(i) reserved;

(ii) in accordance with the Bond Act, and the Regulations, the Borrower shall have timely applied for, shall have been awarded and, prior to or simultaneously with the Loan Closing, shall have closed a Fund Loan for a portion of the Allowable Costs (as defined in such Regulations) of the Project in an amount not in excess of the amount of Allowable Costs of the Project financed by the Loan from the Trust;
(iii) the Borrower shall have funds available to pay for the greater of (A) that portion of the total Costs of the Project that is not eligible to be funded from the Fund Loan or the Loan, or (B) that portion of the total Costs of the Project that exceeds the actual amounts of the loan commitments made by the State and the Trust, respectively, for the Fund Loan and the Loan; and

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

SECTION 3.03. Amounts Payable.

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

(i) the principal of the Loan shall be repaid annually on the Principal Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof;

(ii) the Interest Portion described in clause (i) of the definition thereof shall be paid semiannually on the Interest Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof; and

(iii) the Interest Portion described in clause (ii) of the definition thereof shall be paid upon the date of any prepayment or acceleration.

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. Each payment made to the Trust pursuant to this Section 3.03 shall be applied first to the Interest Portion then due and payable, second to the principal of the Loan then due and payable, third to the payment of the Administrative Fee, and finally to the payment of any late charges hereunder.

(b) The Interest on the Loan described in clause (iii) of the definition thereof shall (i) consist of a late charge for any principal Loan Repayment that is received by the Trust later than the tenth (10th) day following its due date and (ii) be payable immediately thereafter in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one half of one percent per annum on such late payment from its due date to the date it is actually paid; provided, however, that the rate of Interest on the Loan, including, without limitation, any late payment charges incurred hereunder, shall not exceed the maximum interest rate permitted by law.

(c) Reserved.

(d) Reserved.
(e) The Interest on the Loan described in clause (ii) of the definition thereof shall be paid by the Borrower in the amount of one-half of the Administrative Fee, if any, to the Trust semiannually on each February 1 and August 1, commencing August 1, 2014.

(f) In the event that the Borrower fails or is unable to pay promptly to the Trust in full any Loan Repayment or any other payment required under this Loan Agreement when due, the Borrower hereby acknowledges that the Trust 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 Trust 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 Trust 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 Trust shall be applied first to the Interest Portion then due and payable, second, to the extent available, to the principal of the Loan then due and payable, third, to the extent available, to the Administrative Fee, fourth, to the extent available, to the payment of any late charges incurred hereunder, and finally, to the extent available, to any other payment required under this Loan Agreement.

(g) Upon thirty (30) days prior written notice to the Borrower, an Authorized Officer of the Trust may, in the sole discretion of such Authorized Officer, prescribe the particular method by which payments pursuant to, and in satisfaction of, this Section 3.03 shall be made by the Borrower. In the absence of any such written notice to the Borrower by an Authorized Officer of the Trust pursuant to this subsection (g), the payments required pursuant to, and in satisfaction of, this Section 3.03 shall be implemented via the automatic debit by the State or the Trustee of the respective amounts of such payments, as required by this Section 3.03, from an account that shall be identified by the Borrower in writing and recorded on file with the Trust.

SECTION 3.03A. Loan Proceeds After Completion of Project Draws.

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

(b) If, on the date which is one hundred eighty (180) days following the final date for which a disbursement of Loan Proceeds is scheduled to be made pursuant to a revised draw schedule certified to the Trust and the Department in accordance with Section 3.03A(a) hereof, any Loan Proceeds remain undisbursed, the Borrower shall provide to the Trust and the Department a certificate of an Authorized Officer of the Borrower (i) stating that the Borrower has not yet completed the Project, (ii) stating that the Borrower intends to complete the Project, (iii) setting forth the amount of remaining Loan Proceeds required to complete the Project, and (iv) providing a revised draw schedule, in a form similar to Exhibit C hereto and approved by the Department.
(a) If (i) the Borrower fails to provide the certificate described in paragraphs (a) or (b) of this Section 3.03A, when due, or (ii) a certificate provided pursuant to paragraphs (a) or (b) of this Section 3.03A states that the Borrower does not require all or any portion of the Loan Proceeds for completion of the Project, or (iii) on the date which is one hundred eighty (180) days following the final date on which a disbursement of Loan proceeds is scheduled to be made pursuant to a revised draw schedule certified to the Trust and the Department in accordance with Section 3.03A(b) hereof, any Loan Proceeds remain undisbursed, then such undisbursed Loan Proceeds, which are amounts that have not been certified by an Authorized Officer of the Borrower as being required to complete the Project (“Excess Project Funds”), shall be applied as follows:

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

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

SECTION 3.04. Unconditional Obligations. The direct, general obligation of the Borrower to make the Loan Repayments and all other payments required hereunder and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever while any Loan Repayments remain unpaid, for any reason, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project or Environmental Infrastructure System, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the Trust 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 Trust or any other party or parties; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

The Loan has been funded from available monies of the Trust and not from the Trust Bonds issued under the Bond Resolution, as is the case with the other Borrowers under their other Loan Agreements. Therefore, the Borrower shall not be obligated to make any payments required to be made by any other Borrowers under separate Loan Agreements or the Bond Resolution.
SECTION 3.05. Loan Agreement to Survive Bond Resolution and Trust Bonds.
The Borrower acknowledges that its duties, covenants, obligations and agreements set forth in Sections 3.06(a) and (b) hereof, shall survive the payment in full of the Loan.

SECTION 3.06. Disclaimer of Warranties and Indemnification.

(a) The Borrower acknowledges and agrees that (i) the Trust 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 Environmental Infrastructure System or the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Trust or its agents be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Loan Agreement or the Project or the existence, furnishing, functioning or use of the Environmental Infrastructure System or the Project or any item or products or services provided for in this Loan Agreement; and (iii) during the term of this Loan Agreement and to the fullest extent permitted by law, the Borrower shall indemnify and hold the Trust 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 Trust may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Borrower, the Borrower's ownership of the Environmental Infrastructure System or the Project, or the acquisition, construction or installation of the Project.

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

(c) The Borrower and the Trust 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), although such Act by its express terms does not apply to claims arising under contract with the Trust.

(d) In connection with its obligation to provide the insurance required under Section 2.02(i) hereof: (i) the Borrower shall include, or cause to be included, the Trust 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 Trust, the Borrower shall maintain said liability insurance covering the Trust and said directors, employees and officers in good standing; and (ii) the Borrower shall include the Trust as an additional “named insured” on any certificate of insurance providing against risk of direct physical loss, damage or destruction of the Environmental Infrastructure System, and during the Loan Term the Borrower shall maintain said insurance covering the Trust in good standing.
The Borrower shall provide the Trust 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 Trust not less than ninety (90) days from the date of prepayment, and upon payment by the Borrower to the Trust 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) if the Borrower is not then in arrears on its Fund Loan, and (ii) upon the prior written approval of the Trust. Prepayments shall be applied first to the Interest Portion that accrues on the portion of the Loan to be prepaid until such prepayment date as described in clause (ii) of the definition thereof and then to principal payments (including premium, if any) on the Loan in inverse order of their maturity.

SECTION 3.08. Priority of Loan and Fund Loan.

(a) The Borrower hereby agrees that, to the extent allowed by law, any Loan Repayments then due and payable on the Loan shall be satisfied by the Borrower before any loan repayments on the Borrower's Fund Loan shall be satisfied by the Borrower.

(b) Reserved

SECTION 3.09. Approval of the New Jersey State Treasurer. The Borrower and the Trust hereby acknowledge that prior to or simultaneously with the Loan Closing the New Jersey State Treasurer, in satisfaction of the requirements of Section 9a of the Act, issued the “Certificate of the New Jersey State Treasurer Regarding the Approval of the Trust 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 Trust. The Trust’s right, title and interest in, to and under this Loan Agreement shall not be assigned without the express written consent of the Borrower.

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 Trust 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; and (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.
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, which failure shall continue for a period of fifteen (15) days;

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

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

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

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

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

SECTION 5.02. Notice of Default. The Borrower shall give the Trust prompt telephonic notice of the occurrence of any Event of Default referred to in Section 5.01(d) or (e) hereof and of the occurrence of any other event or condition that constitutes an Event of Default.
at such time as any senior administrative or financial officer of the Borrower becomes aware of
the existence thereof.

SECTION 5.03. Remedies on Default. Whenever an Event of Default referred to in Section 5.01 hereof shall have occurred and be continuing, the Borrower acknowledges the rights of the Trust 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) hereof shall have occurred and be continuing, the Trust 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 Trust 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 Trust pursuant to Section 5.03 hereof shall be applied (a) first to pay any attorneys’ fees or other fees and expenses owed by the Borrower pursuant to Section 5.04 hereof, (b) second, to the extent available, to pay the Interest Portion then due and payable, (c) third, to the extent available, to pay the principal due and payable on the Loan, (d) fourth, to the extent available, to pay the Administrative Fee, any late charges incurred hereunder or any other amounts due and payable under this Loan Agreement, and (e) fifth, to the extent available, to pay the Interest Portion and the principal on the Loan and other amounts payable hereunder as such amounts become due and payable.

SECTION 5.06. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the Trust 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 Trust 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 Trust’s Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof, or anything else to the contrary contained herein, the Trust 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 Trust may, in its discretion, deem necessary to enforce the obligations of the Borrower to the Trust 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, to the Borrower at the address specified in Exhibit A-1 attached hereto and made a part hereof and to the Trust at the following address:

New Jersey Environmental Infrastructure Trust
3131 Princeton Pike
Building 4, Suite 216
Lawrenceville, New Jersey 08648
Attention: Executive Director

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

SECTION 6.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Trust 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. This Loan Agreement may not be amended, supplemented or modified without the prior written consent of the Trust and the Borrower.

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 Trust shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Trust unless otherwise provided by law or by rules, regulations or resolutions of the Trust.

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. Reserved.

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

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

[SEAL]

ATTEST:

______________________________
Warren H. Victor
Chairman

David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]

ATTEST:

______________________________
Authorized Officer

Authorized Officer
SCHEDULE A

Certain Additional Loan Agreement Provisions
EXHIBIT A-1

Description of Project and Environmental Infrastructure System
EXHIBIT A-2

Description of Loan
EXHIBIT C

Estimated Disbursement Schedule
EXHIBIT D

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

This Borrower Bond is issued pursuant to the “Local Bond Law”, P.L. 1960, c. 169, as amended (N.J.S.A. 40A:2-1 et seq.), [the “Municipal Qualified Bond Act”, P.L. 1976, c. 38, as amended (N.J.S.A. 40A:3-1 et seq.)] other applicable law and the Loan Agreement dated as of [date of Loan Closing], 2014 by and between the Trust and the Borrower (the “Loan Agreement”). This Borrower Bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence the payment obligations of the Borrower set forth therein. [As a qualified bond issued under Title 40A of the New Jersey Statutes, this Borrower Bond is entitled to the benefits of the provisions of the Municipal Qualified Bond Act, codified at N.J.S.A. 40A:3-1 et seq.] This Borrower Bond is subject to assignment or endorsement in accordance with the terms of the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Borrower Bond.

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

This Borrower Bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional, without any defense or right of set-off, counterclaim or recoupment by reason of any default by the Trust under the Loan Agreement or under any other agreement between the Borrower and the Trust or out of any indebtedness or liability at any time owing to the Borrower by the Trust or for any other reason.
This Borrower Bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law, this Borrower Bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Borrower Bond to be duly executed, sealed and delivered as of [date of Loan Closing], 2014.

[SEAL]

[NAME OF BORROWER]

By: _______________________________
    Mayor

ATTEST:

Clerk

By: _______________________________
    [Treasurer] [Chief Financial Officer]
EXHIBIT E

Opinions of Borrower’s Bond Counsel and General Counsel

See Closing Item ___
New Jersey Environmental Infrastructure Trust
3131 Princeton Pike
Building 4, Suite 216
Lawrenceville, New Jersey 08648

Ladies and Gentlemen:

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

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

(a) the Loan Agreement dated as of [date of Loan Closing], 2014 (the “Loan Agreement”) by and between the Trust and the Borrower;

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

(c) the Borrower Bond dated [date of Loan Closing], 2014 (the “Borrower Bond”) issued by the Borrower to the Trust to evidence the Loan; and

(d) the proceedings (together with the proceedings referred to in clause (c) above and Section 5 below, the “Proceedings”) of the governing body of the Borrower, including, without limitation, [a] bond ordinance[s] of the Borrower finally adopted on [………………] [and [……..], respectively,] and [respectively] entitled “[TITLE OF ORDINANCE]” [and “[TITLE OF ORDINANCE]”], and [a] resolution[s] of the Borrower adopted pursuant to the provisions of N.J.S.A. [40A:2-26 (f) and] 40A:2-27 on [……..] [and [……..], respectively,] and [respectively] entitled “[TITLE OF RESOLUTION]” [and “[TITLE OF RESOLUTION]”] (collectively, the “Borrower Bond Proceedings”), all relating to the authorization of the Borrower Bond and the sale, execution, attestation and delivery thereof to the Trust (the Loan Agreement and the Borrower Bond are referred to herein collectively as the “Loan Documents”).
We have also examined and relied upon originals, or copies certified or otherwise authenticated to our satisfaction, of such other records, documents, certificates and other instruments, and have made such investigation of law as in our judgment we have deemed necessary or appropriate, to enable us to render the opinions expressed below.

We are of the opinion that:

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

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

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

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

5. The proceedings of the Borrower's governing body (i) approving the Loan Documents, (ii) authorizing their execution, attestation and delivery on behalf of the Borrower, (iii) with respect to the Borrower Bond only, authorizing its sale by the Borrower to the Trust, (iv) authorizing the Borrower to consummate the transactions contemplated by the Loan Documents, (v) authorizing the Borrower to undertake and complete the Project, and (vi) authorizing the execution and delivery of all other certificates, agreements, documents and instruments in connection with the execution, attestation and delivery of the Loan Documents, have each been duly and lawfully adopted and authorized in accordance with applicable law and applicable ordinances or resolutions of the Borrower, including, without limitation and where applicable, the Local Bond Law [and the Municipal Qualified Bond Act], the Borrower Bond Proceedings and the other Proceedings, which Proceedings constitute all of the actions necessary to be taken by the Borrower to authorize its actions contemplated by clauses (i) through (vi) above and which Proceedings were duly approved and published, where necessary, in accordance with applicable New Jersey law at a meeting or meetings duly called pursuant to necessary public notice and held in accordance with applicable New Jersey law and at which quorums were present and acting throughout.
6. The Loan Documents have been duly authorized, executed, attested and delivered by the Authorized Officers of the Borrower and the Borrower Bond has been duly sold by the Borrower to the Trust; and assuming in the case of the Loan Agreement that the Trust has the requisite power and authority to authorize, execute, attest and deliver, and has duly authorized, executed, attested and delivered, the Loan Agreement, the Loan Documents constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally. No opinion is rendered as to the availability of any particular remedy.

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

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

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

10. The Borrower has no bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the general tax revenues of the Borrower.
We hereby authorize McCarter & English, LLP, acting as bond counsel to the Trust, and the Attorney General of the State of New Jersey, acting as general counsel to the Trust, to rely on this opinion as if we had addressed this opinion to them in addition to you.

Very truly yours,
EXHIBIT F

Additional Covenants and Requirements
EXHIBIT G

General Administrative Requirements for the
State Environmental Infrastructure Financing Program
RESOLUTION NO. 14-29

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING DIRECT LOANS TO CERTAIN BORROWERS PARTICIPATING IN THE STATE FISCAL YEAR 2014 NANO INFRASTRUCTURE LOAN PROGRAM OF THE TRUST

WHEREAS, pursuant to (i) Section 5(m) and Section 9(a) of the New Jersey Environmental 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”), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 et seq.), as the same have been, and in the future may from time to time be, amended and supplemented (the “Regulations”), the New Jersey Environmental Infrastructure Trust, a public body corporate and politic under the laws of the State, created pursuant to the Act (the “Trust”), is authorized to make and contract to make loans (each, a “Trust Loan”) to project sponsors (each, a “Project Sponsor”) to finance a portion of the costs of the respective environmental infrastructure system projects thereof (each, a “Project”), 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 Trust shall determine to be consistent with the Act and the purposes of the Trust; and

WHEREAS, on February 20, 2014, the Board of Directors of the Trust (the “Board”) adopted a resolution entitled “Second Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the State Fiscal Year 2014 Nano Infrastructure Loan Program” (the “NLP Authorizing Resolution”; capitalized terms used and not otherwise defined in this Resolution shall have the respective meanings ascribed thereto in the NLP Authorizing Resolution), establishing the Nano Infrastructure Loan Program (the “NLP”) of the trust for State Fiscal Year 2014 as a funding mechanism for improvements to Small Water Systems while also addressing the credit risks posed by such Financing Program applicants; and

WHEREAS, the Project Sponsors set forth in Schedule I attached hereto (each, a “Nano Loan Borrower” and, collectively, the “Nano Loan Borrowers”) have sought financial assistance from the Trust in connection with the respective Projects thereof that bear the corresponding numeric designations set forth in Schedule I attached hereto (each, a “Nano Loan Project” and, collectively, the “Nano Loan Projects”); and

WHEREAS, it currently is estimated by each Nano Loan Borrower that the portion of the total cost of its respective Nano Loan Project to be financed by the Trust through the NLP in the form of a Trust Loan (each, a “Nano Trust Loan” and, collectively, the “Nano Trust Loans”) will not exceed the amount set forth under the heading “Maximum Trust Loan Amount” in Schedule I attached hereto with respect to the respective and corresponding Nano Loan Project of each such Nano Loan Borrower (each, a “Maximum Trust Loan Amount”), with additional financial assistance to be provided to each Nano Loan Borrower for the balance of the cost of its respective Nano Loan Project in the form of a loan (each, a “NJDEP Loan” and, collectively, the “NJDEP Loans”) from the State, acting by and through the New Jersey Department of Environmental
Protection (the “NJDEP”), a portion of which NJDEP Loans will be subject to principal forgiveness as set forth in the NLP Authorizing Resolution; and

**WHEREAS**, each of the Nano Loan Borrowers satisfies the criteria for participation in the NLP as set forth in the NLP Authorizing Resolution; and

**WHEREAS**, the NLP Authorizing Resolution provides that the initial source of funds for each Nano Trust Loan made by the Trust during SFY 2014 pursuant to the NLP shall consist of one or both of (i) operating funds of the Trust that are not required for, or committed to, the operations of the Trust for State Fiscal Years 2014 and 2015 (“Available Funds”), and/or (ii) bonds to be issued by the Trust (“Trust Bonds”); and

**WHEREAS**, the Board has determined that it is in the best interest of the Trust to fund the Nano Trust Loans from Available Funds as so-called direct loans; and

**WHEREAS**, each Nano Trust Loan shall be extended by the Trust to each Nano Loan Borrower, and each Nano Loan Borrower shall repay its Nano Trust Loan to the Trust, pursuant to the terms and provisions of a loan agreement (each, a “Nano Trust Loan Agreement” and, collectively, the “Nano Trust Loan Agreements”), by and between the Trust and such Nano Loan Borrower; and

**WHEREAS**, pursuant to the NLP Authorizing Resolution, each Nano Trust Loan shall bear interest at a rate per annum calculated pursuant to the “Interest Rate Calculation”, as set forth in that certain Resolution adopted by the Trust on February 9, 2012 and entitled “Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Relating to the Direct Loan Program and Certain Policies Regarding the Administration Thereof and the Granting of Nano Loans” (the “Direct Loan Policy Resolution”); and

**WHEREAS**, in accordance with the Direct Loan Policy Resolution, the rate of interest to be paid by each Nano Loan Borrower to the Trust with respect to the repayment of its Nano Trust Loan shall be calculated in the following manner (the “Interest Rate Calculation”): (i) the interest rate as determined, on the date of closing for each Nano Trust Loan, by the Municipal Market Advisors pursuant to their MMD Index, (ii) plus (or minus) the number of basis points by which the interest rate on the most recently issued tax-exempt (non-AMT) Environmental Infrastructure Bonds issued by the Trust to provide new financing for Projects (the “Bonds”) exceeded (or was less than) the MMD Index on the date on which such Bonds were sold, and (iii) with such determination being made as a scale for each year of the life of such Nano Trust Loan and thereupon converted into an average rate based upon the weighted average maturity schedule, thereby establishing level debt service comparable to the amortization of a mortgage loan; and

**WHEREAS**, due to the relatively high costs of the Projects of three of the Nano Loan Borrowers (Berkeley Township Municipal Utilities Authority, the Borough of Clayton and the Borough of Stanhope) (collectively, the “Split Nano Loan Borrowers”), a portion of the costs of each such Project will be financed with a loan by the Trust (each, a “Bond-Financed Loan”) of a
portion of the proceeds of the Trust’s “Environmental Infrastructure Bonds, Series 2014A” (the “2014A Bonds”), expected to be issued on or about May 21, 2014; and

WHEREAS, the Board has determined, in order to alleviate any potential inconveniences and inconsistencies with respect to the interest rates paid by the Split Nano Loan Borrowers on their respective loans from the Trust, that the Nano Trust Loan of each Split Nano Loan Borrower shall bear the same rates of interest as the Bond-Financed Trust Loan of such Split Nano Loan Borrower; and

WHEREAS, it is the desire of the Trust, subject to the terms and provisions of the Act, the NLP Authorizing Resolution and this Resolution, to authorize each Nano Trust Loan to the respective Nano Loan Borrower in an amount not to exceed the respective Maximum Trust Loan Amount (all as identified in Schedule I attached hereto and made a part hereof) for the purpose of financing a portion of the cost of the respective Nano Loan Project thereof (as identified in Schedule I attached hereto and made a part hereof), pursuant to the respective terms and provisions of the respective Nano Trust Loan Agreement.

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

Section 1. The Board hereby approves the making of each Nano Trust Loan to the respective Nano Loan Borrower (as identified in Schedule I attached hereto and made a part hereof), as part of the NLP of the Trust, for the purpose of financing a portion of the cost of the respective Nano Loan Project thereof (as identified in Schedule I attached hereto and made a part hereof), provided that (i) the principal amount of each Nano Trust Loan shall not exceed the applicable Maximum Trust Loan Amount with respect to such Nano Loan Project (as identified in Schedule I attached hereto and made a part hereof), (ii) each Nano Trust Loan shall be funded solely from the Available Funds, (iii) each Nano Trust Loan shall comply fully with the provisions of the Act, the NLP Resolution and this Resolution, (iv) each Nano Trust Loan shall be made by the Trust to the respective Nano Loan Borrower, and the repayment thereof shall be made by such Nano Loan Borrower to the Trust, pursuant to the terms and provisions of a Nano Trust Loan Agreement, in substantially the form attached hereto as Exhibit A and made a part hereof (with respect to a municipal Nano Loan Borrower) or in substantially the form attached hereto as Exhibit B and made a part hereof (with respect to an authority Nano Loan Borrower), with such revisions and modifications thereto as shall be approved by the Chairman, the Vice Chairman or the Executive Director of the Trust (each, an “Authorized Officer”) after consultation with Bond Counsel to the Trust 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 each Nano Trust Loan by the respective Nano Loan Borrower (a) with respect to each Nano Loan Borrower other than a Split Nano Loan Borrower, shall be calculated pursuant to the Interest Rate Calculation, and (b) with respect to each Split Nano Loan Borrower, be calculated at the same rates of interest as the Bond-Financed Trust Loan of such Split Nano Loan Borrower.

Section 2. Each Authorized Officer is hereby severally authorized and directed to execute (i) each Nano Trust Loan Agreement and (ii) any certificates, instruments or documents
contemplated therein or otherwise related to the making of the Nano Trust Loans by the Trust to each respective Nano Loan Borrower.

Section 3. Upon execution of each Nano Trust Loan Agreement by an Authorized Officer, the Secretary and the Assistant Secretary of the Trust are each hereby severally authorized and directed, where required, to affix the corporate seal of the Trust, 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 Nano Trust Loan by the Trust to such Nano Loan Borrower.

Section 4. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his respective sole discretion after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

Section 5. This Resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date: May 8, 2014

Motion Made By: Mr. Ellis

Motion Seconded By: Ms. Campbell

Ayes: 6

Nays: 0

Abstentions: 0
SCHEDULE I

NANO LOAN BORROWERS

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* Split Nano Loan Borrower.
LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

AND

[NAME OF BORROWER]

DATED AS OF [DATE OF LOAN CLOSING]
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NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN AGREEMENT

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

WITNESSETH THAT:

WHEREAS, the Trust, in accordance with the Act and a financial plan approved by the State Legislature in accordance with Sections 22 and 22.1 of the Act, is authorized to make the Loan to the Borrower to finance a portion of the Costs of Environmental Infrastructure Facilities;

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

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

WHEREAS, the Trust has approved the Borrower’s application for a Loan from available Trust funds to finance a portion of the Costs of the Project;

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

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

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

DEFINITIONS

SECTION 1.01. Definitions.

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

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

“Administrative Fee” means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder as an annual fee of up to four-tenths of one percent (.40%) of the initial principal amount of the Loan or such lesser amount, if any, as may be authorized by any act of the State Legislature and as the Trust may approve from time to time.

“Authorized Officer” means, in the case of the 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.

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

“Borrower” means the New Jersey county or municipality that is a party to this Loan Agreement, and its successors and assigns, as further described in Schedule A 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 Trust to evidence the Borrower’s obligations to pay the Loan Repayments and all other amounts due and owing by the Borrower under this Loan Agreement, a specimen of which is attached hereto as Exhibit D and made a part hereof, pursuant to which the power and obligation of the Borrower to make such payments shall be unlimited and for the payment of which the Borrower shall, if necessary, levy ad valorem taxes upon all the taxable property within the jurisdiction of the Borrower without limitation as to rate or amount.

“Borrowers” means any Local Government Unit or Private Entity (as such terms are defined in the Regulations) other than the Borrower authorized to construct, operate and maintain Environmental Infrastructure Facilities that have entered into Loan Agreements with the Trust pursuant to which the Trust will make Loans to such recipients. All Loans made to Borrowers (which by definition excludes the Loan made to the Borrower) will be financed, unlike the Loan made to the Borrower hereunder, from the proceeds of Trust Bonds.

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

“Department” means the New Jersey Department of Environmental Protection

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

“Environmental Infrastructure System” means the Environmental Infrastructure Facilities of the Borrower, including the Project, described in Exhibit A-1 attached hereto and made a part hereof for which the Borrower is borrowing the Loan under this Loan Agreement.

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

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

“Fund Loan” means the loan made simultaneously herewith to the Borrower by the State, acting by and through the Department, pursuant to the Fund Loan Agreement.

"Fund Loan Agreement" means the loan agreement dated as of the date hereof, by and between the Borrower and the State, acting by and through the Department, regarding the terms and conditions of the Fund Loan.

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

"Interest Portion" means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder that has been established at Loan Closing (i) as set forth in Exhibit A-2 hereof under the column heading entitled "Interest", or (ii) with respect to any prepayment of Loan Repayments, interest accrued on any principal amount of any such Loan Repayments to the date of any such Loan Repayments at the rate of interest established at Loan Closing.

"Loan" means the loan made by the Trust to the Borrower to finance or refinance a portion of the Costs of the Project pursuant to this Loan Agreement.

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

"Loan Agreements" means any other loan agreements entered into by and between the Trust and one or more of the Borrowers pursuant to which the Trust will make Loans to such Borrowers.

"Loan Closing" means the date upon which the Trust shall fund the Loan and the Borrower shall deliver its fully authorized, executed and attested Borrower Bond, to the Trust.
"Loan Repayments" means the sum of (i) the principal amount of the Loan payable at the times and in the amounts set forth on Exhibit A-2 hereto under the column heading entitled “Principal”, (ii) the Administrative Fee, and (iii) any late charges incurred hereunder.

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

"Loans" means the loans made by the Trust to the Borrowers under the Loan Agreements.

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

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

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

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

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

“State” means the State of New Jersey.

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

"Trust Bonds" means bonds authorized by Section 2.03 of the Bond Resolution, together with any refunding bonds authenticated and delivered pursuant to Section 2.04 of the Bond Resolution, in each case issued by the Trust in order to finance, among other things, the Loans to the Borrowers.

“Trustee” means, initially, U.S. Bank National Association, the Trustee appointed by the Trust and its successors as Trustee under the Bond Resolution, as provided in Article X of the Bond Resolution.
(b) In addition to the capitalized terms defined in subsection (a) of this Section 1.01, certain additional capitalized terms used in this Loan Agreement shall, unless the context clearly requires otherwise, have the meanings ascribed to such additional capitalized terms in Schedule A attached hereto and made a part hereof.

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

REPRESENTATIONS AND COVENANTS OF BORROWER

SECTION 2.01. Representations of Borrower. The Borrower represents for the benefit of the Trust as follows:

(a) Organization and Authority.

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

(ii) The acting 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 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 official no longer the duly acting official of such Borrower, all such actions previously taken by such official are still in full force and effect.

(iii) The Borrower has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain its Environmental Infrastructure System, to carry on its activities relating thereto, to execute, attest and deliver this Loan Agreement and the Borrower Bond, to sell the Borrower Bond to the Trust, 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 Trust and authorizing the Borrower to undertake and complete the Project, including, without limitation, the “Proceedings”, were duly published in accordance with 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 necessary 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 Trust 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 Trust and duly issued by the Borrower; and assuming that the Trust 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 Trust, enforceable against the Trust in accordance with its terms, each of this Loan Agreement and the Borrower Bond constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms, except as the enforcement thereof may be affected by bankruptcy, insolvency or other laws or the application by a court of legal or equitable principles affecting creditors' rights; and the information contained under "Description of Loan" in Exhibit A-2 attached hereto and made a part hereof is true and accurate in all respects.

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

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

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

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

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

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

Use of Proceeds. The Borrower will apply the proceeds of the Loan from the Trust as described in Exhibit B attached hereto and made a part hereof (i) to finance or refinance 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 Trust and is eligible for such reimbursement under and pursuant to the Regulations and any other applicable law. All of such costs constitute Costs for which the Trust 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 Trust, the Trust 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 Trust in full any Loan Repayments, an amount sufficient to satisfy such deficiency shall be paid by the New Jersey State Treasurer to the Trust from State-aid otherwise payable to the Borrower.

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

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

(d) Disposition of Environmental Infrastructure System. The Borrower shall not sell, lease, abandon or otherwise dispose of all or substantially all of its Environmental Infrastructure System except on ninety (90) days’ prior written notice to the Trust, and, in any event, shall not so sell, lease, abandon or otherwise dispose of the same unless the Borrower shall, in accordance with Section 4.02 hereof, assign this Loan Agreement and the Borrower Bond and its rights and interests hereunder and thereunder to the purchaser or lessee of the Environmental Infrastructure System, and such purchaser or lessee shall assume all duties, covenants, obligations and agreements of the Borrower under this Loan Agreement and the Borrower Bond.

(e) Reserved.

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

(g) Records and Accounts.

(i) The Borrower shall keep accurate records and accounts for its Environmental Infrastructure System (the “System Records”) separate and distinct from its other records and accounts (the “General Records”). Such System Records and General Records shall be made available for inspection by the Trust at any reasonable time upon prior written notice.

(ii) Reserved.

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

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

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

(k) **Delivery of Documents.** Concurrently with the delivery of this Loan Agreement (as previously authorized, executed and attested) at the Loan Closing, the Borrower will cause to be delivered to the Trust 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 the Trust 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 opinion of the Trust, such variances are not to the material detriment of the interests of the Trust;

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

(iii) copies of those ordinances and/or resolutions finally adopted by the governing body of the Borrower and requested by the Trust, including, without limitation, (A) the resolution of the Borrower authorizing the execution, attestation and delivery of this Loan Agreement, (B) the ordinances and resolutions of the Borrower authorizing the execution, attestation, sale and delivery of the Borrower Bond to the Trust, (C) the resolution of the Borrower, if any, confirming the details of the sale of the Borrower Bond to the Trust, (D) the resolution of the Local Finance Board approving the issuance by the Borrower of the Borrower Bond to the Trust and setting forth any other approvals required therefor by the Local Finance Board, and (E) any other Proceedings;

(iv) reserved; and

(v) the certificates of insurance coverage as required pursuant to the terms of Section 3.06(d) hereof and such other certificates, documents, opinions and information as the Trust may require in Exhibit F hereto, if any.
(l) **Execution and Delivery of Borrower Bond.** Concurrently with the delivery of this Loan Agreement at the Loan Closing, the Borrower shall also deliver to the Trust the Borrower Bond, as previously executed and attested, upon the receipt of a written certification of the Trust that a portion of the net proceeds of the Trust Bonds shall be segregated on the books and records of the Trust for the Loan simultaneously with the delivery of the Borrower Bond.

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

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

(o) **Additional Covenants and Requirements.** (i) No later than the Loan Closing and, if necessary, in connection with the making of the Loan, additional covenants, representations and requirements have been included in Exhibit F hereto and made a part hereof. Such covenants, representations and requirements may include, but need not be limited to, the maintenance of specified levels of Environmental Infrastructure System rates, the issuance of additional debt of the Borrower, the transfer of revenues and receipts from the Borrower’s Environmental Infrastructure System or compliance with Rule 15c2-12, Rule 10b-5 and any other applicable federal or state securities laws. By executing this Loan Agreement, the Borrower agrees to observe and comply with each such additional covenant, representation 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 and requirements have been included in Schedule A attached hereto and made a part hereof. Such additional defined terms, covenants and requirements are incorporated in this 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 and requirement included in Schedule A as if the same were set forth in its entirety where reference thereto is made in this Loan Agreement.

(a) **Continuing Disclosure Covenant.** To the extent that the Trust, 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 Trust pursuant to criteria established, from time to time, by the Trust in its sole discretion and set forth in a bond resolution or official statement of the Trust, the Borrower hereby covenants that it will authorize and provide to the Trust, for inclusion in any preliminary official statement or official statement of the Trust, all statements and information relating to the Borrower and deemed material by the Trust for the purpose of satisfying Rule 15c2-12 as well as Rule 10b-5 promulgated pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 10b-5”), including certificates and written representations of the Borrower evidencing its compliance with Rule 15c2-12 and Rule 10b-5; and the Borrower hereby further covenants that the Borrower shall execute and deliver the Continuing Disclosure Agreement, in substantially the
form attached hereto as Exhibit H, with such revisions thereto prior to execution and delivery thereof as the Trust shall determine to be necessary, desirable or convenient, in its sole discretion, for the purpose of satisfying Rule 15c2-12 and the purposes and intent thereof, as Rule 15c2-12, its purposes and intent may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction; and pursuant to the terms and provisions of the Continuing Disclosure Agreement, the Borrower shall thereafter provide on-going disclosure with respect to all statements and information relating to the Borrower in satisfaction of the requirements set forth in Rule 15c2-12 and Rule 10b-5, including, without limitation, the provision of certificates and written representations of the Borrower evidencing its compliance with Rule 15c2-12 and Rule 10b-5.
ARTICLE III

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. Loan; Loan Term. The Trust hereby agrees to make the Loan as described in Exhibit A-2 hereof and to disburse proceeds of the Loan to the Borrower in accordance with Section 3.02 and Exhibit C hereof, and the Borrower hereby agrees to borrow and accept the Loan from the Trust upon the terms set forth in Exhibit A-2 attached hereto and made a part hereof; provided, however, that the Trust shall be under no obligation to make the Loan if (a) at the Loan Closing, the Borrower does not deliver to the Trust a Borrower Bond and such other documents required under Section 2.02(k) hereof, or (b) an Event of Default has occurred and is continuing under this Loan Agreement. Although the Trust intends to disburse proceeds of the Loan to the Borrower at the times and up to the amounts set forth in Exhibit C to pay a portion of the Costs of the Project, due to unforeseen circumstances there may not be a sufficient amount on deposit with the Trust on any date to make the disbursement in such amount. Nevertheless, the Borrower agrees that the amount actually segregated on the books of the Trust for the purpose of the Loan at the Loan Closing shall constitute the initial principal amount of the Loan (as the same may be adjusted downward in accordance with the definition thereof), and the Trust shall have no obligation thereafter to loan any additional amounts to the Borrower.

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

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 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 Trust shall disburse the proceeds of the Loan to the Borrower upon receipt of a requisition executed by an Authorized Officer of the Borrower, and approved by the Trust, in a form approved by the Trust.

(b) The Trust shall not be required to disburse any Loan proceeds to the Borrower under this Loan Agreement, unless:

   (i) reserved;

   (ii) in accordance with the Bond Act, and the Regulations, the Borrower shall have timely applied for, shall have been awarded and, prior to or simultaneously with the Loan Closing, shall have closed a Fund Loan for a portion of the Allowable Costs (as defined in such Regulations) of the Project in an amount not in excess of the amount of Allowable Costs of the Project financed by the Loan from the Trust;
(iii) the Borrower shall have funds available to pay for the greater of (A) that portion of the total Costs of the Project that is not eligible to be funded from the Fund Loan or the Loan, or (B) that portion of the total Costs of the Project that exceeds the actual amounts of the loan commitments made by the State and the Trust, respectively, for the Fund Loan and the Loan; and

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

SECTION 3.03. Amounts Payable.

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

(i) the principal of the Loan shall be repaid annually on the Principal Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof;

(ii) the Interest Portion described in clause (i) of the definition thereof shall be paid semiannually on the Interest Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof; and

(iii) the Interest Portion described in clause (ii) of the definition thereof shall be paid upon the date of any prepayment or acceleration.

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. Each payment made to the Trust pursuant to this Section 3.03 shall be applied first to the Interest Portion then due and payable, second to the principal of the Loan then due and payable, third to the payment of the Administrative Fee, and finally to the payment of any late charges hereunder.

(b) The Interest on the Loan described in clause (iii) of the definition thereof shall (i) consist of a late charge for any principal Loan Repayment that is received by the Trust later than the tenth (10th) day following its due date and (ii) be payable immediately thereafter in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one half of one percent per annum on such late payment from its due date to the date it is actually paid; provided, however, that the rate of Interest on the Loan, including, without limitation, any late payment charges incurred hereunder, shall not exceed the maximum interest rate permitted by law.

(c) Reserved.

(d) Reserved.
(e) The Interest on the Loan described in clause (ii) of the definition thereof shall be paid by the Borrower in the amount of one-half of the Administrative Fee, if any, to the Trust semiannually on each February 1 and August 1, commencing August 1, 2014.

(f) In the event that the Borrower fails or is unable to pay promptly to the Trust in full any Loan Repayment or any other payment required under this Loan Agreement when due, the Borrower hereby acknowledges that the Trust 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 Trust 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 Trust 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 Trust shall be applied first to the Interest Portion then due and payable, second, to the extent available, to the principal of the Loan then due and payable, third, to the extent available, to the Administrative Fee, fourth, to the extent available, to the payment of any late charges incurred hereunder, and finally, to the extent available, to any other payment required under this Loan Agreement.

(g) Upon thirty (30) days prior written notice to the Borrower, an Authorized Officer of the Trust may, in the sole discretion of such Authorized Officer, prescribe the particular method by which payments pursuant to, and in satisfaction of, this Section 3.03 shall be made by the Borrower. In the absence of any such written notice to the Borrower by an Authorized Officer of the Trust pursuant to this subsection (g), the payments required pursuant to, and in satisfaction of, this Section 3.03 shall be implemented via the automatic debit by the State or the Trustee of the respective amounts of such payments, as required by this Section 3.03, from an account that shall be identified by the Borrower in writing and recorded on file with the Trust.

SECTION 3.03A. Loan Proceeds After Completion of Project Draws.

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

(b) If, on the date which is one hundred eighty (180) days following the final date for which a disbursement of Loan Proceeds is scheduled to be made pursuant to a revised draw schedule certified to the Trust and the Department in accordance with Section 3.03A(a) hereof, any Loan Proceeds remain undisbursed, the Borrower shall provide to the Trust and the Department a certificate of an Authorized Officer of the Borrower (i) stating that the Borrower has not yet completed the Project, (ii) stating that the Borrower intends to complete the Project, (iii) setting forth the amount of remaining Loan Proceeds required to complete the Project, and (iv) providing a revised draw schedule, in a form similar to Exhibit C hereto and approved by the Department.
If (i) the Borrower fails to provide the certificate described in paragraphs (a) or (b) of this Section 3.03A, when due, or (ii) a certificate provided pursuant to paragraphs (a) or (b) of this Section 3.03A states that the Borrower does not require all or any portion of the Loan Proceeds for completion of the Project, or (iii) on the date which is one hundred eighty (180) days following the final date on which a disbursement of Loan proceeds is scheduled to be made pursuant to a revised draw schedule certified to the Trust and the Department in accordance with Section 3.03A(b) hereof, any Loan Proceeds remain undisbursed, then such undisbursed Loan Proceeds, which are amounts that have not been certified by an Authorized Officer of the Borrower as being required to complete the Project (“Excess Project Funds”), shall be applied as follows:

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

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

SECTION 3.04. Unconditional Obligations. The direct, general obligation of the Borrower to make the Loan Repayments and all other payments required hereunder and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever while any Loan Repayments remain unpaid, for any reason, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project or Environmental Infrastructure System, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the Trust 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 Trust or any other party or parties; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

The Loan has been funded from available monies of the Trust and not from the Trust Bonds issued under the Bond Resolution, as is the case with the other Borrowers under their other Loan Agreements. Therefore, the Borrower shall not be obligated to make any payments required to be made by any other Borrowers under separate Loan Agreements or the Bond Resolution.
SECTION 3.05. **Loan Agreement to Survive Bond Resolution and Trust Bonds.**
The Borrower acknowledges that its duties, covenants, obligations and agreements set forth in Sections 3.06(a) and (b) hereof, shall survive the payment in full of the Loan.

SECTION 3.06. **Disclaimer of Warranties and Indemnification.**

(a) The Borrower acknowledges and agrees that (i) the Trust 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 Environmental Infrastructure System or the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Trust or its agents be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Loan Agreement or the Project or the existence, furnishing, functioning or use of the Environmental Infrastructure System or the Project or any item or products or services provided for in this Loan Agreement; and (iii) during the term of this Loan Agreement and to the fullest extent permitted by law, the Borrower shall indemnify and hold the Trust 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 Trust may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Borrower, the Borrower's ownership of the Environmental Infrastructure System or the Project, or the acquisition, construction or installation of the Project.

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

(c) The Borrower and the Trust 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), although such Act by its express terms does not apply to claims arising under contract with the Trust.

(d) In connection with its obligation to provide the insurance required under Section 2.02(i) hereof: (i) the Borrower shall include, or cause to be included, the Trust 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 Trust, the Borrower shall maintain said liability insurance covering the Trust and said directors, employees and officers in good standing; and (ii) the Borrower shall include the Trust as an additional “named insured” on any certificate of insurance providing against risk of direct physical loss, damage or destruction of the Environmental Infrastructure System, and during the Loan Term the Borrower shall maintain said insurance covering the Trust in good standing.
The Borrower shall provide the Trust 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 Trust not less than ninety (90) days from the date of prepayment, and upon payment by the Borrower to the Trust 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) if the Borrower is not then in arrears on its Fund Loan, and (ii) upon the prior written approval of the Trust. Prepayments shall be applied first to the Interest Portion that accrues on the portion of the Loan to be prepaid until such prepayment date as described in clause (ii) of the definition thereof and then to principal payments (including premium, if any) on the Loan in inverse order of their maturity.

**SECTION 3.08. Priority of Loan and Fund Loan.**

(a) The Borrower hereby agrees that, to the extent allowed by law, any Loan Repayments then due and payable on the Loan shall be satisfied by the Borrower before any loan repayments on the Borrower's Fund Loan shall be satisfied by the Borrower.

(b) Reserved

**SECTION 3.09. Approval of the New Jersey State Treasurer.** The Borrower and the Trust hereby acknowledge that prior to or simultaneously with the Loan Closing the New Jersey State Treasurer, in satisfaction of the requirements of Section 9a of the Act, issued the “Certificate of the New Jersey State Treasurer Regarding the Approval of the Trust 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 Trust. The Trust's right, title and interest in, to and under this Loan Agreement shall not be assigned without the express written consent of the Borrower.

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 Trust 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; and (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.
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, which failure shall continue for a period of fifteen (15) days;

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

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

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

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

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

SECTION 5.02. Notice of Default. The Borrower shall give the Trust prompt telephonic notice of the occurrence of any Event of Default referred to in Section 5.01(d) or (e) hereof and of the occurrence of any other event or condition that constitutes an Event of Default
at such time as any senior administrative or financial officer of the Borrower becomes aware of the existence thereof.

**SECTION 5.03. Remedies on Default.** Whenever an Event of Default referred to in Section 5.01 hereof shall have occurred and be continuing, the Borrower acknowledges the rights of the Trust 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) hereof shall have occurred and be continuing, the Trust 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 Trust 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 Trust pursuant to Section 5.03 hereof shall be applied (a) first to pay any attorneys’ fees or other fees and expenses owed by the Borrower pursuant to Section 5.04 hereof, (b) second, to the extent available, to pay the Interest Portion then due and payable, (c) third, to the extent available, to pay the principal due and payable on the Loan, (d) fourth, to the extent available, to pay the Administrative Fee, any late charges incurred hereunder or any other amounts due and payable under this Loan Agreement, and (e) fifth, to the extent available, to pay the Interest Portion and the principal on the Loan and other amounts payable hereunder as such amounts become due and payable.

**SECTION 5.06. No Remedy Exclusive; Waiver; Notice.** No remedy herein conferred upon or reserved to the Trust 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 Trust 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 Trust’s Rights.** Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof, or anything else to the contrary contained herein, the Trust 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 Trust may, in its discretion, deem necessary to enforce the obligations of the Borrower to the Trust 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, to the Borrower at the address specified in Exhibit A-1 attached hereto and made a part hereof and to the Trust at the following address:

New Jersey Environmental Infrastructure Trust
3131 Princeton Pike
Building 4, Suite 216
Lawrenceville, New Jersey 08648
Attention: Executive Director

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

SECTION 6.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Trust 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. This Loan Agreement may not be amended, supplemented or modified without the prior written consent of the Trust and the Borrower.

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 Trust shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Trust unless otherwise provided by law or by rules, regulations or resolutions of the Trust.

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. Reserved.

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

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

[SEAL]

By: __________________________
    Warren H. Victor
    Chairman

ATTEST:

David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]

By: __________________________
    Authorized Officer

ATTEST:

Authorized Officer
SCHEDULE A

Certain Additional Loan Agreement Provisions
EXHIBIT A-1

Description of Project and Environmental Infrastructure System
EXHIBIT A-2

Description of Loan
EXHIBIT B

Basis for Determination of Allowable Project Costs
EXHIBIT C

Estimated Disbursement Schedule
EXHIBIT D

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

This Borrower Bond is issued pursuant to the “Local Bond Law”, P.L. 1960, c. 169, as amended (N.J.S.A. 40A:2-1 et seq.), [ the “Municipal Qualified Bond Act”, P.L. 1976, c. 38, as amended (N.J.S.A. 40A:3-1 et seq.)] other applicable law and the Loan Agreement dated as of [date of Loan Closing], 2014 by and between the Trust and the Borrower (the “Loan Agreement”). This Borrower Bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence the payment obligations of the Borrower set forth therein. [As a qualified bond issued under Title 40A of the New Jersey Statutes, this Borrower Bond is entitled to the benefits of the provisions of the Municipal Qualified Bond Act, codified at N.J.S.A. 40A:3-1 et seq.] This Borrower Bond is subject to assignment or endorsement in accordance with the terms of the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Borrower Bond.

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

This Borrower Bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional, without any defense or right of set-off, counterclaim or recoupment by reason of any default by the Trust under the Loan Agreement or under any other agreement between the Borrower and the Trust or out of any indebtedness or liability at any time owing to the Borrower by the Trust or for any other reason.
This Borrower Bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law, this Borrower Bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Borrower Bond to be duly executed, sealed and delivered as of [date of Loan Closing], 2014.

[NAME OF BORROWER]

By: ________________________________
    Mayor

ATTEST:

By: ________________________________
    [Treasurer] [Chief Financial Officer]

Clerk
EXHIBIT E

Opinions of Borrower’s Bond Counsel and General Counsel

See Closing Item ___
New Jersey Environmental Infrastructure Trust
3131 Princeton Pike
Building 4, Suite 216
Lawrenceville, New Jersey  08648

Ladies and Gentlemen:

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

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

(a) the Loan Agreement dated as of [date of Loan Closing], 2014 (the “Loan Agreement”) by and between the Trust and the Borrower;

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

(c) the Borrower Bond dated [date of Loan Closing], 2014 (the “Borrower Bond”) issued by the Borrower to the Trust to evidence the Loan; and

(d) the proceedings (together with the proceedings referred to in clause (c) above and Section 5 below, the “Proceedings”) of the governing body of the Borrower, including, without limitation, [a] bond ordinance[s] of the Borrower finally adopted on [……….] [and […..], respectively,] and [respectively] entitled “[TITLE OF ORDINANCE]” [and “[TITLE OF ORDINANCE]”], and [a] resolution[s] of the Borrower adopted pursuant to the provisions of N.J.S.A. [40A:2-26 (f) and] 40A:2-27 on [……] [and [……], respectively,] and [respectively] entitled “[TITLE OF RESOLUTION]” [and “[TITLE OF RESOLUTION]”] (collectively, the “Borrower Bond Proceedings”), all relating to the authorization of the Borrower Bond and the sale, execution, attestation and delivery thereof to the Trust (the Loan Agreement and the Borrower Bond are referred to herein collectively as the “Loan Documents”).
We have also examined and relied upon originals, or copies certified or otherwise authenticated to our satisfaction, of such other records, documents, certificates and other instruments, and have made such investigation of law as in our judgment we have deemed necessary or appropriate, to enable us to render the opinions expressed below.

We are of the opinion that:

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

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

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

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

5. The proceedings of the Borrower's governing body (i) approving the Loan Documents, (ii) authorizing their execution, attestation and delivery on behalf of the Borrower, (iii) with respect to the Borrower Bond only, authorizing its sale by the Borrower to the Trust, (iv) authorizing the Borrower to consummate the transactions contemplated by the Loan Documents, (v) authorizing the Borrower to undertake and complete the Project, and (vi) authorizing the execution and delivery of all other certificates, agreements, documents and instruments in connection with the execution, attestation and delivery of the Loan Documents, have each been duly and lawfully adopted and authorized in accordance with applicable law and applicable ordinances or resolutions of the Borrower, including, without limitation and where applicable, the Local Bond Law [and the Municipal Qualified Bond Act], the Borrower Bond Proceedings and the other Proceedings, which Proceedings constitute all of the actions necessary to be taken by the Borrower to authorize its actions contemplated by clauses (i) through (vi) above and which Proceedings were duly approved and published, where necessary, in accordance with applicable New Jersey law at a meeting or meetings duly called pursuant to necessary public notice and held in accordance with applicable New Jersey law and at which quorums were present and acting throughout.
6. The Loan Documents have been duly authorized, executed, attested and delivered by the Authorized Officers of the Borrower and the Borrower Bond has been duly sold by the Borrower to the Trust; and assuming in the case of the Loan Agreement that the Trust has the requisite power and authority to authorize, execute, attest and deliver, and has duly authorized, executed, attested and delivered, the Loan Agreement, the Loan Documents constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally. No opinion is rendered as to the availability of any particular remedy.

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

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

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

10. The Borrower has no bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the general tax revenues of the Borrower.
We hereby authorize McCarter & English, LLP, acting as bond counsel to the Trust, and the Attorney General of the State of New Jersey, acting as general counsel to the Trust, to rely on this opinion as if we had addressed this opinion to them in addition to you.

Very truly yours,
EXHIBIT F

Additional Covenants and Requirements
EXHIBIT G

General Administrative Requirements for the State Environmental Infrastructure Financing Program
LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

AND

[NAME OF BORROWER]

DATED AS OF [DATE OF LOAN CLOSING]
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NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN AGREEMENT

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

WITNESSETH THAT:

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

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

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

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

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

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

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

SECTION 1.01. Definitions.

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

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

“Administrative Fee” means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder as an annual fee of up to four-tenths of one percent (.40%) of the initial principal amount of the Loan or such lesser amount, if any, as may be authorized by any act of the State Legislature and as the Trust may approve from time to time.

“Authorized Officer” means, in the case of the Borrower, any person or persons authorized pursuant to a resolution 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.

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

“Borrower Bond” means the revenue bond authorized, executed, attested and delivered by the Borrower to the Trust and authenticated on behalf of the Borrower to evidence the Loan, a specimen of which is attached hereto as Exhibit D and made a part hereof.

“Borrowers” means any other Local Government Unit or Private Entity (as such terms are defined in the Regulations) authorized to construct, operate and maintain Environmental Infrastructure Facilities that have entered into Loan Agreements with the Trust pursuant to which the Trust will make Loans to such recipients. All Loans made to Borrowers (which by definition excludes the Loan made to the Borrower) will be financed, unlike the Loan made to the Borrower hereunder, from the proceeds of Trust Bonds.

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

“Department” means the New Jersey Department of Environmental Protection

“Environmental Infrastructure Facilities” means Wastewater Treatment Facilities, Stormwater Management Facilities or Water Supply Facilities (as such terms are defined in the Regulations).
“Environmental Infrastructure System” means the Environmental Infrastructure Facilities of the Borrower, including the Project, described in Exhibit A-1 attached hereto and made a part hereof for which the Borrower is borrowing the Loan under this Loan Agreement.

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

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

“Fund Loan” means the loan previously made to the Borrower by the State, acting by and through the Department, pursuant to the Fund Loan Agreement.

"Fund Loan Agreement" means the loan agreement dated as of the date hereof, by and between the Borrower and the State, acting by and through the Department, regarding the terms and conditions of the Fund Loan.

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

"Interest Portion" means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder that has been established at Loan Closing (i) as set forth in Exhibit A-2 hereof under the column heading entitled "Interest", or (ii) with respect to any prepayment of Loan Repayments, interest accrued on any principal amount of any such Loan Repayments to the date of any such Loan Repayments at the rate of interest established at Loan Closing.

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

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

“Loan Agreements” means any other loan agreements entered into by and between the Trust and one or more of the Borrowers pursuant to which the Trust will make Loans to such Borrowers.

"Loan Closing" means the date upon which the Trust shall fund the Loan and the Borrower shall deliver its fully authorized, executed and attested Borrower Bond, to the Trust.

"Loan Repayments" means the sum of (i) the principal amount of the Loan payable at the times and in the amounts set forth on Exhibit A-2 heretofore under the column heading entitled “Principal”, (ii) the Administrative Fee, and (iii) any late charges incurred hereunder.

"Loan Term" means the term of this Loan Agreement provided in Sections 3.01 and 3.03 hereof and in Exhibit A-2 attached hereto and made a part hereof.
"Loans" means the loans made by the Trust to the Borrowers under the Loan Agreements.

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

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

"Project" means the Environmental Infrastructure Facilities of the Borrower described in Exhibit A-1 attached hereto and made a part hereof, which constitutes a project for which the Trust is permitted to make a loan to the Borrower pursuant to the Act and the Regulations, all or a portion of the Costs of which is financed or refinanced by the Trust through the making of the Loan under this Loan Agreement.

"Project Fund" means the Project Fund as defined in the Bond Resolution.

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

"State" means the State of New Jersey.

"Trust" means the New Jersey Environmental Infrastructure Trust, a public body corporate and politic with corporate succession duly created and validly existing under and by virtue of the Act.

"Trust Bonds" means bonds authorized by Section 2.03 of the Bond Resolution, together with any refunding bonds authenticated and delivered pursuant to Section 2.04 of the Bond Resolution, in each case issued by the Trust in order to finance, among other things, the Loans to the Borrowers.

“Trustee” means, initially, U.S. Bank National Association, the Trustee appointed by the Trust and its successors as Trustee under the Bond Resolution, as provided in Article X of the Bond Resolution.

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

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

REPRESENTATIONS AND COVENANTS OF BORROWER

SECTION 2.01. Representations of Borrower. The Borrower represents for the benefit of the Trust as follows:

(a) **Organization and Authority.**

   (i) The Borrower is an Entity duly created and validly existing under and pursuant to the Constitution and statutes of the State, including the Borrower Enabling Act, and is subject to the Local Authorities Fiscal Control Law.

   (ii) The acting 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 officials of such Borrower empowered by applicable State law and, if applicable, authorized by resolution of the Borrower to perform such actions. To the extent any such action was performed by an official no longer the duly acting official of such Borrower, all such actions previously taken by such official are still in full force and effect.

   (iii) The Borrower has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain its Environmental Infrastructure System, to carry on its activities relating thereto, to execute, attest and deliver this Loan Agreement and the Borrower Bond, to authorize the authentication of the Borrower Bond, to sell the Borrower Bond to the Trust, 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 Trust, authorizing the authentication of the Borrower Bond on behalf of the Borrower and authorizing the Borrower to undertake and complete the Project, including, without limitation, the Borrower Bond Resolution (collectively, the “Proceedings”), were duly published in accordance with applicable State law, and have been duly and lawfully adopted in accordance with the Borrower Enabling Act, the Local Authorities Fiscal Control Law and other applicable State law at a meeting or meetings that were duly called pursuant to necessary 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 Trust 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) See Section 2.01(a)(vi) as set forth in Schedule A attached hereto, made a part hereof and incorporated in this Section 2.01(a) by reference as if set forth in full herein.

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

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

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

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

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

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

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

Use of Proceeds. The Borrower will apply the proceeds of the Loan from the Trust as described in Exhibit B attached hereto and made a part hereof (i) to finance or refinance 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 Trust and is eligible for such reimbursement under and pursuant to the Regulations and any other applicable law. All of such costs constitute Costs for which the Trust is authorized to make Loans to the Borrower pursuant to the Act and the Regulations.

SECTION 2.02. Particular Covenants of Borrower.

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

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

(c) **Revenue Obligation; No Prior Pledges.** The Borrower shall not be required to make payments under this Loan Agreement except from the Revenues of its Environmental Infrastructure System and from such other funds of such Environmental Infrastructure System legally available therefor and from any other sources pledged to such payment pursuant to subsection (a) of this Section 2.02. In no event shall the Borrower be required to make payments under this Loan Agreement from any revenues or receipts not derived from its Environmental Infrastructure System or pledged pursuant to subsection (a) of this Section 2.02. Except for the Permitted Pledges, the Revenues derived by the Borrower from its Environmental Infrastructure System, after the payment of all costs of operating and maintaining the Environmental Infrastructure System, are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the obligation of the Borrower to make Loan Repayments under this Loan Agreement and the Borrower Bond, and all corporate or other action on the part of the Borrower to that end has been and will be duly and validly taken. See Section 2.02(c) as set forth in Schedule A attached hereto, made a part hereof and incorporated in this Section 2.02(c) by reference as if set forth in full herein.

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

(e) **Disposition of Environmental Infrastructure System.** The Borrower shall not sell, lease, abandon or otherwise dispose of all or substantially all of its Environmental Infrastructure System except on ninety (90) days’ prior written notice to the Trust, and, in any event, shall not so sell, lease, abandon or otherwise dispose of the same unless the Borrower shall, in accordance with Section 4.02 hereof, assign this Loan Agreement and the Borrower Bond and its rights and interests hereunder and thereunder to the purchaser or lessee of the Environmental Infrastructure System, and such purchaser or lessee shall assume all duties, covenants, obligations and agreements of the Borrower under this Loan Agreement and the Borrower Bond.

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

(h) **Records and Accounts.**

(i) The Borrower shall keep accurate records and accounts for its Environmental Infrastructure System (the “System Records”) separate and distinct from its other records and accounts (the “General Records”). Such System Records and General Records shall be made available for inspection by the Trust at any reasonable time upon prior written notice.

(ii) **Reserved.**

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

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

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

(l) **Delivery of Documents.** Concurrently with the delivery of this Loan Agreement (as previously authorized, executed and attested) at the Loan Closing, the Borrower will cause to be delivered to the Trust 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 the Trust 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 opinion of the Trust, such variances are not to the material detriment of the interests of the holders of the Trust Bonds;

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

(iii) copies of those resolutions finally adopted by the governing body of the Borrower and requested by the Trust, including, without limitation, (A) the resolution of the Borrower authorizing the execution, attestation and delivery of this Loan Agreement, (B) the Borrower Bond Resolution, as amended and supplemented as of the date of the Loan Closing, authorizing the execution, attestation, authentication, sale and delivery of the Borrower Bond to the Trust, (C) the resolution of the Borrower, if any, confirming the details of the sale of the Borrower Bond to the Trust, (D) the resolution of the Local Finance Board approving the issuance by the Borrower of the Borrower Bond to the Trust and setting forth any other approvals required therefor by the Local Finance Board, and (E) any other Proceedings;

(iv) reserved;

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

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

(m) Execution and Delivery of Borrower Bond. Concurrently with the delivery of this Loan Agreement at the Loan Closing, the Borrower shall also deliver to the Trust the Borrower Bond, as previously executed, attested and authenticated, upon the receipt of a written certification of the Trust that an amount equal to the principal amount of the Loan shall be segregated on the books and records of the Trust for the Loan simultaneously with the delivery of the Borrower Bond.

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

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

(p) Additional Covenants and Requirements. (i) No later than the Loan Closing and, if necessary, in connection with the making of the Loan, additional covenants, representations and requirements have been included in Exhibit F hereto and made a part hereof. Such
covenants, representations and requirements may include, but need not be limited to, the maintenance of specified levels of Environmental Infrastructure System rates, the issuance of additional debt of the Borrower, the transfer of revenues and receipts from the Borrower’s Environmental Infrastructure System or compliance with Rule 15c2-12, Rule 10b-5 and any other applicable federal or state securities laws. By executing this Loan Agreement, the Borrower agrees to observe and comply with each such additional covenant, representation 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 and requirements have been included in Schedule A attached hereto and made a part hereof. Such additional defined terms, covenants and requirements are incorporated in this 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 and requirement included in Schedule A as if the same were set forth in its entirety where reference thereto is made in this Loan Agreement.

(q) Continuing Disclosure Covenant. To the extent that the Trust, 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 Trust pursuant to criteria established, from time to time, by the Trust in its sole discretion and set forth in a bond resolution or official statement of the Trust, the Borrower hereby covenants that it will authorize and provide to the Trust, for inclusion in any preliminary official statement or official statement of the Trust, all statements and information relating to the Borrower and deemed material by the Trust for the purpose of satisfying Rule 15c2-12 as well as Rule 10b-5 promulgated pursuant to the Securities Exchange Act of 1934, as amended or supplemented, including any successor regulation or statute thereto (“Rule 10b-5”), including certificates and written representations of the Borrower evidencing its compliance with Rule 15c2-12 and Rule 10b-5; and the Borrower hereby further covenants that the Borrower shall execute and deliver the Continuing Disclosure Agreement, in substantially the form attached hereto as Exhibit H, with such revisions thereto prior to execution and delivery thereof as the Trust shall determine to be necessary, desirable or convenient, in its sole discretion, for the purpose of satisfying Rule 15c2-12 and the purposes and intent thereof, as Rule 15c2-12, its purposes and intent may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction; and pursuant to the terms and provisions of the Continuing Disclosure Agreement, the Borrower shall thereafter provide on-going disclosure with respect to all statements and information relating to the Borrower in satisfaction of the requirements set forth in Rule 15c2-12 and Rule 10b-5, including, without limitation, the provision of certificates and written representations of the Borrower evidencing its compliance with Rule 15c2-12 and Rule 10b-5.
ARTICLE III

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. Loan; Loan Term. The Trust hereby agrees to make the Loan as described in Exhibit A-2 hereof and to disburse proceeds of the Loan to the Borrower in accordance with Section 3.02 and Exhibit C hereof, and the Borrower hereby agrees to borrow and accept the Loan from the Trust upon the terms set forth in Exhibit A-2 attached hereto and made a part hereof; provided, however, that the Trust shall be under no obligation to make the Loan if (a) at the Loan Closing, the Borrower does not deliver to the Trust a Borrower Bond and such other documents required under Section 2.02(k) hereof, or (b) an Event of Default has occurred and is continuing under this Loan Agreement. Although the Trust intends to disburse proceeds of the Loan to the Borrower at the times and up to the amounts set forth in Exhibit C to pay a portion of the Costs of the Project, due to unforeseen circumstances there may not be a sufficient amount on deposit with the Trust on any date to make the disbursement in such amount. Nevertheless, the Borrower agrees that the amount actually segregated on the books of the trust for the purpose of the Loan at the Loan Closing shall constitute the initial principal amount of the Loan (as the same may be adjusted downward in accordance with the definition thereof), and the Trust shall have no obligation thereafter to loan any additional amounts to the Borrower.

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

The payment obligations created under this Loan Agreement and 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 special obligations of the Borrower payable solely from the Revenues in accordance with the terms of and to the extent provided in the Borrower Bond Resolution.

SECTION 3.02. Disbursement of Loan Proceeds.

(a) The Trust shall disburse the proceeds of the Loan to the Borrower upon receipt of a requisition executed by an Authorized Officer of the Borrower, and approved by the Trust, in a form approved by the Trust.

(b) The Trust shall not be required to disburse any Loan proceeds to the Borrower under this Loan Agreement, unless:

(i) reserved;

(ii) in accordance with the Bond Act, and the Regulations, the Borrower shall have timely applied for, shall have been awarded and, prior to or simultaneously with the Loan Closing, shall have closed a Fund Loan for a portion of the Allowable Costs (as defined in such Regulations) of the Project in an amount not in excess of the amount of Allowable Costs of the Project financed by the Loan from the Trust;
(iii) the Borrower shall have on hand moneys to pay for the greater of (A) that portion of the total Costs of the Project that is not eligible to be funded from the Fund Loan or the Loan, or (B) that portion of the total Costs of the Project that exceeds the actual amounts of the loan commitments made by the State and the Trust, respectively, for the Fund Loan and the Loan; and

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

SECTION 3.03. Amounts Payable.

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

(i) the principal of the Loan shall be repaid annually on the Principal Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof;

(ii) the Interest Portion described in clause (i) of the definition thereof shall be paid semiannually on the Interest Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof; and

(iii) the Interest Portion described in clause (ii) of the definition thereof shall be paid upon the date of any prepayment or acceleration of the Loan.

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. Each payment made to the Trust pursuant to this Section 3.03 shall be applied first to the Interest Portion then due and payable, second to the principal of the Loan then due and payable, third to the payment of the Administrative Fee, and finally to the payment of any late charges hereunder.

(b) The Interest on the Loan described in clause (iii) of the definition thereof shall (i) consist of a late charge for any principal Loan Repayment that is received by the Trust later than the tenth (10th) day following its due date and (ii) be payable immediately thereafter in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one half of one percent per annum on such late payment from its due date to the date it is actually paid; provided, however, that the rate of Interest on the Loan, including, without limitation, any late payment charges incurred hereunder, shall not exceed the maximum interest rate permitted by law.

(c) Reserved.

(d) Reserved.
(e) The Interest on the Loan described in clause (ii) of the definition thereof shall be paid by the Borrower in the amount of one-half of the Administrative Fee, if any, to the Trust semiannually on each February 1 and August 1, commencing August 1, 2014.

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

(g) Upon thirty (30) days prior written notice to the Borrower, an Authorized Officer of the Trust may, in the sole discretion of such Authorized Officer, prescribe the particular method by which payments pursuant to, and in satisfaction of, this Section 3.03 shall be made by the Borrower. In the absence of any such written notice to the Borrower by an Authorized Officer of the Trust pursuant to this subsection (g), the payments required pursuant to, and in satisfaction of, this Section 3.03 shall be implemented via the automatic debit by the Trust 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 Trust.

SECTION 3.03A. Loan Proceeds After Completion of Project Draws.

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

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

(c) If (i) the Borrower fails to provide the certificate described in paragraphs (a) or (b) of this Section 3.03A, when due, or (ii) a certificate provided pursuant to paragraphs (a) or (b) of this Section 3.03A states that the Borrower does not require all or any portion of the Loan Proceeds for completion of the Project, or (iii) on the date which is one hundred eighty (180) days following the final date on which a disbursement of Loan proceeds is scheduled to be made pursuant to a revised draw schedule certified to the Trust and the Department in accordance with Section 3.03A(b) hereof, any Loan Proceeds remain undisbursed, then such undisbursed Loan Proceeds, which are amounts that have not been certified by an Authorized Officer of the Borrower as being required to complete the Project (“Excess Project Funds”), shall be applied as follows:
(A) If the Excess Project Funds are less than or equal to the greater of (1) $250,000 or (2) the amount of Loan Repayments due from the Borrower to the Trust in the next succeeding calendar year, the Excess Project Funds shall be applied by the Trust toward the Borrower’s obligation to make the Loan Repayments next coming due; or

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

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

The Loan has been funded from available monies of the Trust and not from the Trust Bonds issued under the Bond Resolution, as is the case with the other Borrowers under their other Loan Agreements. Therefore, the Borrower shall not be obligated to make any payments required to be made by any other Borrowers under separate Loan Agreements or the Bond Resolution.

Further, the Borrower acknowledges that any payments of the principal of, premium, if any, or interest on the Trust Bonds by the Trust, the Borrowers or any other entity do 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 set forth in Sections 3.06(a) and (b) hereof, shall survive the payment in full of the Loan.

SECTION 3.06. Disclaimer of Warranties and Indemnification.

(a) The Borrower acknowledges and agrees that (i) the Trust 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 Environmental Infrastructure System or the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Trust or its agents be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Loan Agreement or the Project or the existence, furnishing, functioning or use of the Environmental Infrastructure System or the Project or any item or products or services provided for in this Loan Agreement; and (iii) to the fullest extent permitted by law, the Borrower shall indemnify and hold the Trust 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 Trust may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Borrower, the Borrower’s ownership of the Environmental Infrastructure System or the Project, or the acquisition, construction or installation of the Project.

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

(c) The Borrower and the Trust 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), although such Act by its express terms does not apply to claims arising under contract with the Trust.

(d) In connection with its obligation to provide the insurance required under Section 2.02(j) hereof: (i) the Borrower shall include, or cause to be included, the Trust 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 Trust, the Borrower shall maintain said liability insurance covering the Trust and said directors, employees and officers in good standing; and (ii) the Borrower shall include the Trust as an additional “named insured” on any certificate of insurance providing against risk of direct physical loss, damage or destruction of the Environmental Infrastructure System, and during the Loan Term the Borrower shall maintain said insurance covering the Trust in good standing.

The Borrower shall provide the Trust 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 Trust not less than ninety (90) days from the date of prepayment, and upon payment by the Borrower to
the Trust 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) if the Borrower is not then in arrears on its Fund Loan, and (ii) upon the prior written approval of the Trust. Prepayments shall be applied first to the Interest Portion that accrues on the portion of the Loan to be prepaid until such prepayment date as described in clause (ii) of the definition thereof and then to principal payments (including premium, if any) on the Loan in inverse order of their maturity.

SECTION 3.08. Priority of Loan and Fund Loan.

(a) The Borrower hereby acknowledges that, to the extent allowed by law, any Loan Repayments then due and payable on the Loan shall be satisfied by the Trust before any loan repayments on the Borrower’s Fund Loan shall be satisfied by the Trust. The Borrower agrees not to interfere with any such action by the Trust.

(b) Reserved.

SECTION 3.09. Approval of the New Jersey State Treasurer. The Borrower and the Trust hereby acknowledge that prior to or simultaneously with the Loan Closing the New Jersey State Treasurer, in satisfaction of the requirements of Section 9a of the Act, issued the “Certificate of the New Jersey State Treasurer Regarding the Approval of the Trust 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 Trust.

(a) The Trust’s right, title and interest in, to and under this Loan Agreement shall not be assigned without the express written consent of the Borrower. The Trust shall retain the right to compel or otherwise enforce observance and performance by the Borrower of its duties, covenants, obligations and agreements under Section 2.02(d)(ii) hereof; provided, however, that in no event shall the Trust have the right to accelerate the Borrower Bond in connection with the enforcement of Section 2.02(d)(ii) hereof.

(b) Reserved.

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 Trust 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; and (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.
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 Trust Bond Loan Repayment required to be paid hereunder when due, which failure shall continue for a period of fifteen (15) days;

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

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

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

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

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

SECTION 5.02. Notice of Default. The Borrower shall give the Trust and the Trust prompt telephonic notice of the occurrence of any Event of Default referred to in Section 5.01(e) or (f) hereof and of the occurrence of any other event or condition that constitutes an Event of Default at such time as any senior administrative or financial officer of the Borrower becomes aware of the existence thereof.

SECTION 5.03. Remedies on Default. Whenever an Event of Default referred to in Section 5.01 hereof shall have occurred and be continuing, the Borrower acknowledges the rights of the Trust 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) hereof shall have occurred and be continuing, the Trust 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 Trust 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 observance 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 Trust pursuant to Section 5.03 hereof shall be applied (a) first to pay any attorneys’ fees or other fees and expenses owed by the Borrower pursuant to Section 5.04 hereof, (b) second, to the extent available, to pay the Interest Portion then due and payable, (c) third, to the extent available, to pay the principal due and payable on the Loan, (d) fourth, to the extent available, to pay the Administrative Fee, any late charges incurred hereunder or any other amounts due and payable under this Loan Agreement, and (e) fifth, to the extent available, to pay the Interest Portion and the principal on the Loan and other amounts payable hereunder as such amounts become due and payable.

SECTION 5.06. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the Trust 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
Trust 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 Trust’s Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof, or anything else to the contrary contained herein, the Trust 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 Trust may, in its discretion, deem necessary to enforce the obligations of the Borrower to the Trust 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, to the Borrower at the address specified in Exhibit A-1 attached hereto and made a part hereof and to the Trust at the following address:

New Jersey Environmental Infrastructure Trust
3131 Princeton Pike
Building 4, Suite 216
Lawrenceville, New Jersey  08648
Attention:  Executive Director

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

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

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

SECTION 6.04. Amendments, Supplements and Modifications.

(a) This Loan Agreement may not be amended, supplemented or modified without the prior written consent of the Trust and the Borrower.

(b) Notwithstanding any provision of the Service Agreement to the contrary, the Service Agreement may not be amended, supplemented or modified by the Borrower and the Underlying Government Unit without the prior written consent of an Authorized Officer of the Trust.

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 Trust shall be required under the provisions of this Loan Agreement, such
consent or approval may only be given by the Trust unless otherwise provided by law or by rules, regulations or resolutions of the Trust.

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. Reserved.

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

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

[SEAL]

By: __________________________
    Warren H. Victor
    Chairman

ATTEST:

David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]

By: __________________________
    Authorized Officer

ATTEST:

Authorized Officer
SCHEDULE A

Certain Additional Loan Agreement Provisions
EXHIBIT A-1

Description of Project and Environmental Infrastructure System
EXHIBIT A-2

Description of Loan
EXHIBIT B

Basis for Determination of Allowable Project Costs
EXHIBIT C

Estimated Disbursement Schedule
EXHIBIT D

Specimen Borrower Bond

D-1
(Except for assignment page, to be supplied by Borrower’s bond counsel in substantially the following form)

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

This Borrower Bond is issued pursuant to the [“Municipal and County Utilities Authorities Law”, P.L. 1957, c. 183, (N.J.S.A. 40:14B-1 et seq.),] [the “Sewerage Authorities Law”, P.L. 1946 c. 138 (N.J.S.A. 40:14A-1 et seq.),] [“the Local Authorities Fiscal Control Law”, P.L. 1983 c. 313 (N.J.S.A. 40A:5A-1 et seq.),] [the “Borrower Enabling Act” means the “[TITLE OF ACT]”, P.L. ____ c. ___ (N.J.S.A. ______ et seq.),] other applicable law and the Loan Agreement dated as of [date of Loan Closing], 2014 by and between the Trust and the Borrower (the “Loan Agreement”). This Borrower Bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence the payment obligations of the Borrower set forth in the Loan Agreement. This Borrower Bond is subject to assignment or endorsement in accordance with the terms of the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Borrower Bond.

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

This Borrower Bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional, without any defense or right of set-off, counterclaim or recoupment by reason of any default by the Trust under the Loan Agreement or under any other agreement between the Borrower and the Trust or out of any indebtedness or liability at any time owing to the Borrower by the Trust or for any other reason.
This Borrower Bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law, this Borrower Bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Borrower Bond to be duly executed, sealed and delivered as of [date of Loan Closing], 2014.

[SEAL]

[NAME OF BORROWER]

By:________________________

ATTEST:

____________________________

____________________________
EXHIBIT E

Opinions of Borrower’s Bond Counsel and General Counsel

See Closing Item ____
Ladies and Gentlemen:

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

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

(a) Reserved;

(b) the Loan Agreement dated as of [date of Loan Closing], 2014 (the “Loan Agreement”) by and between the Trust and the Borrower;

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

(d) the Borrower Bond dated [date of Loan Closing], 2014 (the “Borrower Bond”) issued by the Borrower to the Trust to evidence the Loan; [and]

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

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

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

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

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

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

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

We are of the opinion that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[12.][10.] [(IF JUNIOR LIEN BONDS) Other than any Senior Lien Bonds,] [T]he Borrower has no bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the Revenues.

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

Very truly yours,
EXHIBIT F

Additional Covenants and Requirements
EXHIBIT F-2

Service Agreement
EXHIBIT G

General Administrative Requirements for the
State Environmental Infrastructure Financing Program