



**New Jersey  
Environmental  
Infrastructure Trust**

"Financing New Jersey's  
Water Quality Future"

Warren H. Victor, Chairman  
Herbert Barrack, Vice Chairman  
Roger Ellis, Secretary  
Robert A. Briant, Jr., Treasurer  
Andrew P. Sidamon-Eristoff, State Treasurer  
Bob Martin, DEP Commissioner  
Richard E. Constable, III, DCA Commissioner

David E. Zimmer, CFA, Executive Director



July 1, 2014

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 July 1, 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,

David E. Zimmer, CFA  
Assistant Secretary

Enclosure

Cc: Honorable Stephen Sweeney, President of the Senate  
Honorable Vincent Prieto, Speaker of the General Assembly



Warren H. Victor, Chairman  
Herbert Barrack, Vice Chairman  
Roger Ellis, Secretary  
Robert A. Briant, Jr., Treasurer  
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Bob Martin, DEP Commissioner  
Richard E. Constable, III, DCA Commissioner

David E. Zimmer, CFA, Executive Director

July 1, 2014

## NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

### OPEN PUBLIC MEETING

### MINUTES – July 1, 2014

#### **1. CALL TO ORDER:**

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Tuesday, July 1, 2014 in the Trust’s conference room of 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey. Chairman Victor called the meeting to order at 10:020 a.m.

#### **2. OPEN PUBLIC MEETING ACT STATEMENT:**

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

#### **3. ROLL CALL:**

Ms. Mary Pearsall conducted roll call to which Mr. Victor, Mr. Barrack, Mr. Requa, Mr. Ellis and Ms. Campbell all responded affirmatively.

##### DIRECTORS

Warren Victor, Chairman \*  
Herbert Barrack, Vice Chairman \*  
Roger Ellis, Secretary \*  
Daniel Kennedy \*<sup>1</sup>  
(for DEP Commissioner Martin)  
Christine Campbell \*  
(for State Treasurer Sidamon-Eristoff)  
James Requa \*  
(for DCA Commissioner Constable)

##### 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 \*  
Edward Pillsbury, Deputy Attorney General  
Richard Nolan, McCarter & English LLP \*  
Geoffrey Stewart, Public Financial Management \*

\* Participated via conference call

#### **4. PUBLIC COMMENTS:**

Chairman Victor invited comments from the public. There were no comments.

#### **5. NEW BUSINESS:**

<sup>1</sup> *Dan Kennedy joined the meeting*

- A. Executive Director Zimmer introduced Resolution No. 14-37, Agenda Item 5A (Resolution acknowledging receipt of the Governor and State Treasurer's approval of Environmental Infrastructure Bond Resolution, Series 2014B-R).

After a brief explanation of the requirement and corresponding resolution, Executive Director Zimmer asked for comments or questions. Hearing none, Chairman Victor requested a motion for approval.

The resolution was moved for adoption by Mr. Barrack and seconded by Mr. Requa.

A voice roll call was performed to which Mr. Victor, Mr. Barrack, Mr. Ellis, Mr. Requa, Ms. Campbell and Mr. Kennedy all responded in favor. There were none opposed and no abstentions.

- B. Executive Director Zimmer introduced Resolution No. 14-38, Agenda Item 5B (Supplemental Bond Resolution authorizing the issuance of Environmental Infrastructure Refunding Bonds, Series 2014B-R (AMT)).

After a brief explanation of the Bond issuance requirement, Executive Director Zimmer asked for comments or questions. Hearing none, Chairman Victor requested a motion for approval.

The resolution was moved for adoption by Mr. Ellis and seconded by Ms. Campbell.

A voice roll call was performed to which Mr. Victor, Mr. Barrack, Mr. Ellis, Mr. Requa, Ms. Campbell and Mr. Kennedy all responded in favor. There were none opposed and no abstentions.

Having completed the items on the Agenda which required Board action, Executive Director Zimmer advised the Board that the Trust's internal control auditor, Rothstein Kass (RK) was acquired by KPMG effective today. Mr. Barrack questioned the status of RK team members who were not transitioning to KPMG to which Mr. Zimmer responded that limited information provided by RK suggests that 1 of 6 members will be transitioning to KPMG. Mr. Zimmer continued that the Trust's contract with RK provides for the Trust's written approval of assignments and Trust staff have requested information from KPMG to aid the Board in its assessment of whether or not to proceed with authorizing the assignment. Mr. Zimmer also apprised the board that in the event KPMG does not provide the requested information, he will be proceeding with an RFP in July similar to the RFP previously approved by the Board in the Fall of 2013, to request proposals for the remaining audit work. Chairman Victor confirmed that any new work would be subject to work already completed.

Chairman Victor then asked for a motion for an adjournment.

Mr. Kennedy moved to adjourn the meeting. The motion was seconded by Mr. Barrack.

A voice roll call was performed to which Mr. Victor, Mr. Barrack, Mr. Ellis, Mr. Requa, Ms. Campbell and Mr. Kennedy all responded in favor. There were none opposed and no abstentions.

The meeting was adjourned at 10:17am.

**RESOLUTION NO. 14-37**

**RESOLUTION ACKNOWLEDGING RECEIPT  
OF THE GOVERNOR AND STATE TREASURER'S APPROVAL OF  
ENVIRONMENTAL INFRASTRUCTURE BOND RESOLUTION SERIES 2014B-R**

WHEREAS, the New Jersey Environmental Infrastructure Trust (Trust) is authorized to issue bonds, notes, and other obligations pursuant to N.J.S.A.58:11B-6; and

WHEREAS, the Trust desires to issue Bonds for the purpose of funding portions of projects to be financed in the State Fiscal Year 2014 New Jersey Environmental Infrastructure Financing Program; and

WHEREAS, the Governor's and State Treasurer's written approval is required prior to a resolution or other action of the Trust providing for the issuance of bonds (N.J.S.A. 58:11B-4(j)); and

WHEREAS, the Trust has received the Governor's written approval of the Trust's issuance of New Jersey Environmental Infrastructure Trust Environmental infrastructure Bond Resolution, Series 2014B-R on June 24, 2014; and

WHEREAS, the Trust has received the State Treasurer's written approval of the Trust's issuance of New Jersey Environmental Infrastructure Trust Environmental infrastructure Bond Resolution, Series 2014B-R on June 2, 2014.

NOW THEREFORE BE IT RESOLVED, that the New Jersey Environmental Infrastructure Trust acknowledges receipt of the Governor and State Treasurer's written approval of the Trust's issuance of New Jersey Environmental Infrastructure Trust Environmental infrastructure Bond Resolution, Series 2014B-R.

Adopted Date: July 1, 2014

Motion Made By: Mr. Barrack

Motion Seconded By: Mr. Requa

Ayes: 6

Nays: 0

Abstentions: 0

**RESOLUTION NO. 14-38**

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**SUPPLEMENTAL BOND RESOLUTION**  
**AUTHORIZING THE ISSUANCE OF**  
**ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS,**  
**SERIES 2014B-R (AMT)**  
**OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

Adopted July 1, 2014, as amended and supplemented by a  
Certificate of an Authorized Officer of the Trust in accordance  
with Section 6.01 hereof

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Adopted Date:	July 1, 2014
Motion Made By:	Mr. Ellis
Motion Seconded By:	Mr. Requa
Ayes:	6
Nays:	0
Abstentions:	0

**SUPPLEMENTAL BOND RESOLUTION  
AUTHORIZING THE ISSUANCE OF  
ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS,  
SERIES 2014B-R (AMT)  
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

**WHEREAS**, on November 4, 2004, the New Jersey Environmental Infrastructure Trust, a public body corporate and politic with corporate succession (the “Trust”), duly created and validly existing under the laws of the State of New Jersey (the “State”), including, without limitation, 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 be amended and supplemented from time to time (the “Act”), issued its “Environmental Infrastructure Bonds, Series 2004B (AMT)”, dated November 4, 2004, in the original aggregate principal amount of \$18,175,000 (the “Series 2004B Bonds”), in accordance with the provisions of (i) the “Environmental Infrastructure Bond Resolution, Series 2004B” of the Trust, duly adopted by the Trust on September 20, 2004 (the “Original 2004B Bond Resolution”), (ii) the Act and (iii) all other applicable law;

**WHEREAS**, on November 10, 2005, the Trust issued its “Environmental Infrastructure Bonds, Series 2005B (AMT)”, dated November 10, 2005, in the original aggregate principal amount of \$3,045,000 (the “Series 2005B Bonds”; the Series 2004B Bonds and the Series 2005B Bonds shall be referred to collectively herein as the “Prior Bonds”), in accordance with the provisions of (i) the “Environmental Infrastructure Bond Resolution, Series 2005B” of the Trust, duly adopted by the Trust on September 20, 2005 (the “Original Series 2005B Bond Resolution”), (ii) the Act and (iii) all other applicable law;

**WHEREAS**, the primary share of the proceeds of the Series 2004B Bonds was applied by the Trust to the making of loans (the “Series 2004B Trust Loans”) to each of the Series 2004B Borrowers (as hereinafter defined) to finance or refinance approximately 25% to 50% of the then-eligible costs for the acquisition, construction, renovation and installation of their respective environmental infrastructure projects (the “Series 2004B Projects”), all in accordance with the New Jersey Environmental Infrastructure Financing Program, Series 2004B, created by the State to implement the Federally financed State Revolving Loan Program in the State (the “Series 2004B Program”);

**WHEREAS**, the primary share of the proceeds of the Series 2005B Bonds was applied by the Trust to the making of loans (the “Series 2005B Trust Loans”; the Series 2004B Trust Loans and the Series 2005B Trust Loans shall be referred to collectively herein as the “Trust Loans”) to each of the Series 2005B Borrowers (as hereinafter defined) to finance or refinance approximately 25% to 50% of the then-eligible costs for the acquisition, construction, renovation and installation of their respective environmental infrastructure projects (the “Series 2005B Projects”; the Series 2004B Projects and the Series 2005B Projects shall be referred to collectively herein as the “Projects”), all in accordance with the New Jersey Environmental Infrastructure Financing Program, Series 2005B, created by the State to implement the Federally financed State Revolving

Loan Program in the State (the “Series 2005B Program”; the Series 2004B Program and the Series 2005B Program shall be referred to collectively herein as the “Programs”);

**WHEREAS**, the State, acting by and through the New Jersey Department of Environmental Protection (the “DEP”), simultaneously made a companion loan (the “Series 2004B Fund Loans”) to each of the Series 2004B Borrowers for approximately 50% to 75% of the then eligible costs of each such Series 2004B Project, with the balance of any such costs funded (i) by the respective Borrower or (ii) by supplemental loans from the Trust and the State in other annual New Jersey Environmental Infrastructure Financing Programs;

**WHEREAS**, the State, acting by and through the DEP, simultaneously made a companion loan (the “Series 2005B Fund Loans”; the Series 2004B Fund Loans and the Series 2005B Fund Loans shall be referred to collectively herein as the “Fund Loans”) to each of the Series 2005B Borrowers for approximately 50% to 75% of the then eligible costs of each such Series 2005B Project, with the balance of any such costs funded (i) by the respective Borrower or (ii) by supplemental loans from the Trust and the State in other annual New Jersey Environmental Infrastructure Financing Programs;

**WHEREAS**, the repayment obligation with respect to the Series 2004B Trust Loans was evidenced by revenue bonds issued by authority Series 2004B Borrowers and private Series 2004B Borrowers (collectively, the “Series 2004B Borrower Trust Loan Bonds”) in accordance with all applicable law;

**WHEREAS**, the repayment obligation with respect to the Series 2005B Trust Loans was evidenced by revenue bonds issued by authority Series 2005B Borrowers and private Series 2005B Borrowers (collectively, the “Series 2005B Borrower Trust Loan Bonds”; the Series 2004B Borrower Trust Loan Bonds and the Series 2005B Borrower Trust Loan Bonds shall be referred to collectively herein as the “Borrower Trust Loan Bonds”) in accordance with all applicable law;

**WHEREAS**, the repayment obligation with respect to the Series 2004B Fund Loans was evidenced by revenue bonds issued by authority Series 2004B Borrowers and private Series 2004B Borrowers (collectively, the “Series 2004B Borrower Fund Loan Bonds”; the Series 2004B Borrower Trust Loan Bonds and the Series 2004B Borrower Fund Loan Bonds shall be referred to collectively herein as the “Series 2004B Borrower Bonds”) in accordance with all applicable law;

**WHEREAS**, the repayment obligation with respect to the Series 2005B Fund Loans was evidenced by revenue bonds issued by authority Series 2005B Borrowers and private Series 2005B Borrowers (collectively, the “Series 2005B Borrower Fund Loan Bonds”; the Series 2005B Borrower Trust Loan Bonds and the Series 2005B Borrower Fund Loan Bonds shall be referred to collectively herein as the “Series 2005B Borrower Bonds”; the Series 2004B Borrower Bonds and the Series 2005B Borrower Bonds shall be referred to collectively herein as the “Borrower Bonds”) in accordance with all applicable law;

**WHEREAS**, the Series 2004B Bonds are principally secured by the Series 2004B Trust Loan repayment obligations of the Series 2004B Borrowers as evidenced by the Series 2004B Borrower Trust Loan Bonds;

**WHEREAS**, the Series 2005B Bonds are principally secured by the Series 2005B Trust Loan repayment obligations of the Series 2005B Borrowers as evidenced by the Series 2005B Borrower Trust Loan Bonds;

**WHEREAS**, payment of the principal of and interest on the Prior Bonds is also secured pursuant to the terms of that certain Master Program Trust Agreement, dated as of November 1, 2004, by and among the Trust, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ) (predecessor to The Bank of New York Mellon), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder, as amended and supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2001, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the Trust, as further amended and supplemented by that certain First General Amendment to Master Program Trust Agreement, dated September 1, 2006, by and among the Trust, the State, U.S. Bank Trust National Association, as Master Program Trustee thereunder, Wachovia Bank, National Association (predecessor to U.S. Bank National Association), as Trustee and Loan Servicer, The Bank of New York (predecessor to The Bank of New York Mellon), as Trustee and Loan Servicer, and Commerce Bank, National Association (predecessor to TD Bank, National Association), as Loan Servicer, as the same may be amended and supplemented from time to time in accordance with its terms (as amended and supplemented, the “Master Program Trust Agreement”);

**WHEREAS**, the Trust has determined that net present value debt service savings (the “2004B Gross Savings”) can be achieved upon the defeasance and current refunding of a portion of the Series 2004B Bonds, through the implementation of the hereinafter defined 2014 Refunding of the Series 2004B Bonds to be Refunded (net of all costs incurred in connection therewith, the “2004B Savings”);

**WHEREAS**, the Trust has determined that net present value debt service savings (the “2005B Gross Savings”) can be achieved upon the defeasance and current refunding of a portion of the Series 2005B Bonds, through the implementation of the hereinafter defined 2014 Refunding of the Series 2005B Bonds to be Refunded (net of all costs incurred in connection therewith, the “2005B Savings”; the 2004B Savings and the 2005B Savings shall be referred to collectively herein as the “Savings”);

**WHEREAS**, Section 2.04(1) of the Initial 2004B Bond Resolution and the terms of this Series 2014B-R Refunding Supplemental Bond Resolution authorize the issuance of a portion of the hereinafter defined Series 2014B-R Refunding Bonds, consisting of such portions of such maturities of the Series 2014B-R Refunding Bonds as are set forth in Section 2.03(C)(i) hereof (the “2004B Allocable Portion”), as “Refunding Bonds” to achieve the 2014 Refunding of the Series 2004B Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Initial 2004B Bond Resolution;



**WHEREAS**, Section 2.04(1) of the Original 2005B Bond Resolution and the terms of this Series 2014B-R Refunding Supplemental Bond Resolution authorize the issuance of a portion of the hereinafter defined Series 2014B-R Refunding Bonds, consisting of such portions of such maturities of the Series 2014B-R Refunding Bonds as are set forth in Section 2.03(C)(ii) hereof (the “2005B Allocable Portion”), as “Refunding Bonds” to achieve the 2014 Refunding of the Series 2005B Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original 2005B Bond Resolution;

**WHEREAS**, payment of the principal of and interest on the Series 2014B-R Refunding Bonds when due will be secured pursuant to the terms of the Master Program Trust Agreement;

**WHEREAS**, the Trust shall issue its “Environmental Infrastructure Refunding Bonds, Series 2014B-R (AMT)”, to be dated the date of issuance thereof, with an exact aggregate principal amount and an exact dated date thereof to be determined by an Authorized Officer (as hereinafter defined) of the Trust upon the issuance thereof in accordance with the terms of this Series 2014B-R Refunding Supplemental Bond Resolution (the “Series 2014B-R Refunding Bonds”), all pursuant to the terms of: (i)(1) the Original 2004B Bond Resolution and (2) the Original 2005B Bond Resolution, each as amended and supplemented by this “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2014B-R of the New Jersey Environmental Infrastructure Trust”, adopted by the Trust on July 1, 2014, as amended and supplemented by a certificate of an Authorized Officer of the Trust, dated the date of issuance of the Series 2014B-R Refunding Bonds (as amended and supplemented, the “Series 2014B-R Refunding Supplemental Bond Resolution”); (ii) the Act; and (iii) all other applicable law;

**WHEREAS**, upon issuance of the Series 2014B-R Refunding Bonds, the Trust shall establish an escrow fund (the “Defeased Series 2004B Bond Escrow Fund”) in accordance with the terms of that certain “Escrow Deposit Agreement, Series 2014B-R (2004B Financing Program)”, dated the date of issuance of the Series 2014B-R Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “Defeased Series 2004B Bond Escrow Deposit Agreement”), by and between the Trust and U.S. Bank National Association, Morristown, New Jersey (successor to Wachovia Bank, National Association, the original Trustee pursuant to the Original 2004B Bond Resolution), as Defeased Series 2004B Bond Escrow Agent (or any successor thereto, the “Defeased Series 2004B Bond Escrow Agent”) thereunder;

**WHEREAS**, upon issuance of the Series 2014B-R Refunding Bonds, the Trust will cause a portion of the proceeds thereof to be deposited in the Defeased Series 2004B Bond Escrow Fund in an amount that, together with interest earned thereon, will be sufficient to pay (i) all of the interest due and payable on September 2, 2014 (the “Series 2004B Redemption Date”) on a portion of the Outstanding Series 2004B Bonds otherwise maturing on September 1, 2015 through and including September 1, 2024, (collectively, the “Series 2004B Bonds to be Refunded”), (ii) all of the principal of the Series 2004B Bonds to be Refunded on the Series 2004B Redemption Date, and (iii) the redemption premium, if any, applicable to redeeming all of the Series 2004B Bonds to be Refunded on the Series 2004B Redemption Date (collectively, the “2014 Refunding of the Series 2004B Bonds to be Refunded”);

**WHEREAS**, upon issuance of the Series 2014B-R Refunding Bonds, the Trust will finance the 2014 Refunding of the Series 2004B Bonds to be Refunded with deposits into the Defeased Series 2004B Bond Escrow Fund from the following sources: (i) from the primary share of the 2004B Allocable Portion of the proceeds of the Series 2014B-R Refunding Bonds, and (ii) from the immediate transfer of certain moneys remaining on deposit in certain funds and accounts established and existing under the Original 2004B Bond Resolution and held by U.S. Bank National Association, Morristown, New Jersey (successor to Wachovia Bank, National Association), as Trustee (or any successor thereto, the “2004B Trustee”) thereunder, all as set forth in this Series 2014B-R Refunding Supplemental Bond Resolution and in the Defeased Series 2004B Bond Escrow Deposit Agreement;

**WHEREAS**, upon issuance of the Series 2014B-R Refunding Bonds, the Trust shall establish an escrow fund (the “Defeased Series 2005B Bond Escrow Fund”) in accordance with the terms of that certain “Escrow Deposit Agreement, Series 2014B-R (2005B Financing Program)”, dated the date of issuance of the Series 2014B-R Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “Defeased Series 2005B Bond Escrow Deposit Agreement”), by and between the Trust and U.S. Bank National Association, Morristown, New Jersey (successor to Wachovia Bank, National Association, the original Trustee pursuant to the Original 2005B Bond Resolution), as Defeased Series 2005B Bond Escrow Agent (or any successor thereto, the “Defeased Series 2005B Bond Escrow Agent”) thereunder;

**WHEREAS**, upon issuance of the Series 2014B-R Refunding Bonds, the Trust will cause a portion of the proceeds thereof to be deposited in the Defeased Series 2005B Bond Escrow Fund in an amount that, together with interest earned thereon, will be sufficient to pay (i) all of the interest due and payable on September 2, 2014 (the “Series 2005B Redemption Date”) on a portion of the Outstanding Series 2005B Bonds otherwise maturing on September 1, 2015 through and including September 1, 2025 (collectively, the “Series 2005B Bonds to be Refunded”), (ii) all of the principal of the Series 2005B Bonds to be Refunded on the Series 2005B Redemption Date, and (iii) the redemption premium, if any, applicable to redeeming all of the Series 2005B Bonds to be Refunded on the Series 2005B Redemption Date (collectively, the “2014 Refunding of the Series 2005B Bonds to be Refunded”);

**WHEREAS**, upon issuance of the Series 2014B-R Refunding Bonds, the Trust will finance the 2014 Refunding of the Series 2005B Bonds to be Refunded with deposits into the Defeased Series 2005B Bond Escrow Fund from the following sources: (i) from the primary share of the 2005B Allocable Portion of the proceeds of the Series 2014B-R Refunding Bonds, and (ii) from the immediate transfer of certain moneys remaining on deposit in certain funds and accounts established and existing under the Original 2005B Bond Resolution and held by U.S. Bank National Association, Morristown, New Jersey (successor to Wachovia Bank, National Association), as Trustee (or any successor thereto, the “2005B Trustee”) thereunder, all as set forth in this Series 2014B-R Refunding Supplemental Bond Resolution and in the Defeased Series 2005B Bond Escrow Deposit Agreement;

**WHEREAS**, upon issuance of the Series 2014B-R Refunding Bonds, the Trust, in accordance with the Act, the Original Bond Resolutions, this Series 2014B-R Refunding Supplemental Bond Resolution and a financial plan approved by the State Legislature in accordance with Section 23 of the Act will (i) issue the Series 2014B-R Refunding Bonds for the purpose of (1) applying the primary share of the 2004B Allocable Portion of the proceeds thereof toward the 2014 Refunding of the Series 2004B Bonds to be Refunded, and (2) applying the primary share of the 2005B Allocable Portion of the proceeds thereof toward the 2014 Refunding of the Series 2005B Bonds to be Refunded, (ii) apply the balance of the proceeds thereof to the payment of certain costs incurred in connection therewith, and (iii) pass on to the Borrowers their *pro rata* portion of the Savings achieved from the 2014 Refunding of the Bonds to be Refunded (as hereinafter defined) as an additional credit to their existing Trust Loans; provided, however, that an Authorized Officer of the Trust shall withhold from the Borrowers a portion of the of the Savings allocated to interest on the Savings Credit Schedules (as hereinafter defined), that is reasonably required to reimburse the Trust for costs of issuing the Series 2014B-R Refunding Bonds not financed from the proceeds of the Series 2014B-R Refunding Bonds, the amount of which portion shall be set forth on the Savings Credit Schedules under the heading “Withheld Savings” (the “Withheld Savings”);

**WHEREAS**, the Trust desires to appoint the Series 2014B-R Refunding Fiduciary (as hereinafter defined) to fulfill certain duties and responsibilities set forth in the Original Bond Resolutions with respect to the Series 2014B-R Refunding Bonds, as further set forth in this Series 2014B-R Refunding Supplemental Bond Resolution;

**WHEREAS**, in order to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the “Securities Exchange Act”), including any successor regulation or statute thereto (“Rule 15c2-12”), the Trust (i) has determined that each of the Programs is and (ii) will determine whether certain Borrowers (the “Disclosure Borrowers”) and, if applicable, whether certain related local government units, are material “obligated persons” in connection with the issuance of the Series 2014B-R Refunding Bonds, as the term “obligated person” is defined in Rule 15c2-12, based upon criteria set forth in this Series 2014B-R Refunding Supplemental Bond Resolution;

**WHEREAS**, prior to or simultaneously with the issuance of the Series 2014B-R Refunding Bonds, each such Disclosure Borrower, if any, shall enter into a separate “Series 2014B-R Continuing Disclosure Agreement )”, to be dated the date of issuance of the Series 2014B-R Refunding Bonds, with the Series 2014B-R Refunding Fiduciary and the Trust (as the same may be further amended and supplemented from time to time in accordance with their respective terms, the “Series 2014B-R Borrower Continuing Disclosure Agreements”), 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

**WHEREAS**, prior to or simultaneously with the issuance of the Series 2014B-R Refunding Bonds, the Trust shall enter into a “Series 2014B-R Refunding Bonds Trust Continuing Disclosure Agreement”, to be dated the date of issuance of the Series 2014B-R Refunding Bonds, with the Series 2014B-R Refunding Fiduciary (as the same may be further amended and supplemented

from time to time in accordance with the terms thereof, the “Series 2014B-R Trust Continuing Disclosure Agreement”; the Series 2014B-R Borrower Continuing Disclosure Agreements and the Series 2014B-R Trust Continuing Disclosure Agreement shall be referred to collectively herein as the “Series 2014B-R Continuing Disclosure Agreements”), for the purpose 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.

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

## ARTICLE I

### DEFINITIONS AND AUTHORITY FOR SERIES 2014B-R REFUNDING SUPPLEMENTAL BOND RESOLUTION

#### SECTION 1.01. Definitions.

(A) As used in this Series 2014B-R Refunding Supplemental Bond Resolution, unless the context requires otherwise, all capitalized terms not defined herein shall have the meanings ascribed to such terms in Section 1.01 of the respective Original Bond Resolutions, as each may be amended and supplemented from time to time in accordance with the respective terms thereof.

(B) The following capitalized terms set forth in this Series 2014B-R Refunding Supplemental Bond Resolution shall have the respective meanings ascribed to such terms in the recitals to this Series 2014B-R Refunding Supplemental Bond Resolution:

Act	Series 2004B Projects
Borrower Bonds	Series 2004B Trust Loans
Borrower Trust Loan Bonds	Series 2005B Bond Resolution
Defeased Series 2004B Bond Escrow Agent	Series 2005B Bonds
Defeased Series 2004B Bond Escrow Deposit Agreement	Series 2005B Bonds to be Refunded
Defeased Series 2004B Bond Escrow Fund	Series 2005B Borrower Bonds
Defeased Series 2005B Bond Escrow Agent	Series 2005B Borrower Fund Loan Bonds
Defeased Series 2005B Bond Escrow Deposit Agreement	Series 2005B Borrower Trust Loan Bonds
Defeased Series 2005B Bond Escrow Fund DEP	Series 2005B Fund Loans
Fund Loans	Series 2005B Program
Original Bond Resolutions	Series 2005B Projects
Original 2004B Bond Resolution	Series 2005B Refunding Bonds
Original 2005B Bond Resolution	Series 2005B Trust Loans
Projects	Series 2014B-R Continuing Disclosure Agreements
Programs	Series 2014B-R Borrower Continuing Disclosure Agreements
Rule 15c2-12	Series 2014B-R Refunding Bonds
Savings	Series 2014B-R Refunding Supplemental Bond Resolution
SEC	Series 2014B-R Trust Continuing Disclosure Agreement
Securities Exchange Act	State
Series 2004B Bond Resolution	Trust
Series 2004B Bonds	Trust Loans
Series 2004B Bonds to be Refunded	2004B Allocable Portion
Series 2004B Borrower Bonds	2004B Gross Savings
Series 2004B Borrower Fund Loan Bonds	2004B Savings
Series 2004B Borrower Trust Loan Bonds	2004B Trustee
Series 2004B Fund Loans	2005B Allocable Portion
Series 2004B Program	

2005B Gross Savings	2014 Refunding of the Series 2004B Bonds to be Refunded
2005B Savings	2014 Refunding of the Series 2005B Bonds to be Refunded
2005B Supplemental Bond Resolution	Withheld Savings
2005B Trustee	

(C) In addition, as used in this Series 2014B-R Refunding Supplemental Bond Resolution, unless the context requires otherwise, the following terms shall have the following meanings:

“Allocable Portions” shall mean, collectively, the 2004B Allocable Portion and the 2005B Allocable Portion.

“Authorized Officer” means the Chairman, Vice-Chairman or Executive Director of the Trust, or any other person or persons designated by the Board by resolution to act on behalf of the Trust under this Series 2014B-R Refunding Supplemental Bond Resolution; the designation of such person or persons shall be evidenced by a written certificate containing the specimen signature of such person or persons and signed on behalf of the Trust by its Chairman, Vice-Chairman, Executive Director or Acting Executive Director;

“Bond Year” shall mean a period of 12 consecutive months beginning on September 1 of any calendar year and ending on August 31 of the immediately succeeding calendar year, except that the first bond year shall be a period commencing on the date of issuance of the Series 2014B-R Refunding Bonds and ending on the August 31, 2014.

“Bondholder”, “Holder” or “holder” shall mean any person who shall be the registered owner of a Series 2014B-R Refunding Bond or Series 2014B-R Refunding Bonds.

“Bonds to be Refunded” shall mean, collectively, the Series 2004B Bonds to be Refunded and the Series 2005B Bonds to be Refunded.

“Borrowers” shall mean, collectively, the Series 2004B Borrowers and the Series 2005B Borrowers.

“Defeased Bond Escrow Deposit Agreements” shall mean, collectively, the Defeased Series 2004B Bond Escrow Deposit Agreement and the Defeased Series 2005B Bond Escrow Deposit Agreement.

“Defeased Bond Escrow Funds” shall mean, collectively, the Defeased Series 2004B Bond Escrow Fund and the Defeased Series 2005B Bond Escrow Fund.

“DTC” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Series 2014B-R Refunding Bonds.

“DTC Representation Letter” means the agreement entered into by and between the Trust and DTC, detailing the rights, duties and obligations of the parties thereto relative to the Series 2014B-R Refunding Bonds.

“Record Date” shall mean with respect to an Interest Payment Date for a particular Series of Bonds, unless otherwise provided by this Series 2014B-R Refunding Supplemental Bond Resolution, (i) if the Interest Payment Date is scheduled for the first (1st) day of any month, the fifteenth (15th) day (whether or not such day shall be a Business Day) of the month prior to such Interest Payment Date, or (ii) if the Interest Payment Date is scheduled for the fifteenth (15th) day of any month, the first (1st) day (whether or not such day shall be a Business Day) of the month in which such Interest Payment Date occurs.

“Savings Credit” shall mean the *pro rata* portion of the Savings, other than the Withheld Savings, allocated by the Trust to each Borrower, as such *pro rata* portion shall be identified by the Trust in the Savings Credit Schedule, relating to each respective Borrower, under the column therein entitled “Savings Credit (Total)”.

“Savings Credit Schedule” shall mean collectively or individually, as the case may be, the schedule, prepared by or at the direction of the Trust with respect to each Borrower, demonstrating the Savings Credit and Withheld Savings, such Savings Credit Schedule to be included by the Trust as an exhibit to that certain Certificate of an Authorized Officer of the Trust pursuant to Section 6.01 hereof.

“Series Bond Resolutions” shall mean, collectively, the Series 2004B Bond Resolution and the Series 2005B Bond Resolution.

“Series Paying Agents” shall mean, collectively, the 2004B Paying Agent and the 2005B Paying Agent.

“Series Trustees” shall mean, collectively, the 2004B Trustee and the 2005B Trustee.

“Series 2004B Bond Resolution” shall mean the Original 2004B Bond Resolution, as amended and supplemented by this Series 2014B-R Refunding Supplemental Bond Resolution, and as the same may be further amended and supplemented from time to time in accordance with its terms.

“Series 2004B Borrowers” shall mean individually or collectively, as the case may be, each local governmental unit or private water company that previously has received a Series 2004B Trust Loan and, in accordance with this Series 2014B-R Refunding Supplemental Resolution, will receive its *pro rata* share of the 2004B Savings.

“Series 2004B Outstanding Obligations” shall mean, collectively, all of the Outstanding (1) Series 2004B Bonds, (2) 2004B Allocable Portion and (3) Additional Bonds issued from time to time pursuant to the Series 2004B Bond Resolution.

“Series 2005B Bond Resolution” shall mean the Original 2005B Bond Resolution, as amended and supplemented by this Series 2014B-R Refunding Supplemental Bond Resolution, and as the same may be further amended and supplemented from time to time in accordance with its terms.

“Series 2005B Borrowers” shall mean individually or collectively, as the case may be, each local governmental unit or private water company that previously has received a Series 2005B Trust Loan and, in accordance with this Series 2014B-R Refunding Supplemental Resolution, will receive its *pro rata* share of the 2005B Savings.

“Series 2005B Outstanding Obligations” shall mean, collectively, all of the Outstanding (1) Series 2005B Bonds, (2) 2005B Allocable Portion and (3) Additional Bonds issued from time to time pursuant to the Series 2005B Bond Resolution.

“Series 2014B-R Refunding Fiduciary” shall mean the fiduciary appointed pursuant to Section 4.01 hereof, and its successor or successors and any other corporation or banking association which may at any time be substituted in its place pursuant to this Series 2014B-R Refunding Supplemental Bond Resolution.

“Trust Conditions Precedent” shall mean the written approval of the Governor and Treasurer of the State of this Series 2014B-R Refunding Supplemental Bond Resolution in satisfaction of the requirements of Section 4(j) of the Act.

“2004B Paying Agent” shall mean the “Paying Agent” as such term is defined in the Series 2004B Bond Resolution.

“2005B Paying Agent” shall mean the “Paying Agent” as such term is defined in the Series 2005B Bond Resolution.

“2014 Refunding of the Bonds to be Refunded” shall mean, collectively, the 2014 Refunding of the 2004B Bonds to be Refunded and the 2014 Refunding of the 2005B Bonds to be Refunded.

**(D)** In addition, the definitions of the following terms in Section 1.01 of each of the Original Bond Resolutions are hereby amended to the extent provided below:

**(1)** The definition of “Debt Service Reserve Requirement” in Section 1.01 of the Original Series 2004B Bond Resolution is hereby amended and restated in its entirety as follows:

“Debt Service Reserve Requirement” means, as of any date of calculation:

(1) an amount equal to the lesser of (i) the greatest amount required in the then current Bond Year or in any future Bond Year to pay the sum of (a) interest on the Outstanding Series 2004B Bonds and (b) principal or Sinking Fund Installments, as the case may be, of the Outstanding Series 2004B Bonds; (ii) 125% of a fraction, the numerator of which is the sum of the interest, principal and Sinking



Fund Installments on the Outstanding Series 2004B Bonds payable beginning in such Bond Year and each succeeding Bond Year thereafter until the maturity of the Outstanding Series 2004B Bonds, and the denominator of which is the number of years or portion thereof until the maturity of the Outstanding Series 2004B Bonds; or (iii) the sum of 10% of the “proceeds” of the Series 2004B Bonds, but only if such Series 2004B Bonds are Outstanding, within the meaning of Section 148(d) of the Code; plus

(2) an amount equal to the lesser of (i) the greatest amount required in the then current Bond Year or in any future Bond Year to pay the sum of (a) interest on the Outstanding Refunding Bonds and (b) principal or Sinking Fund Installments, as the case may be, of the Outstanding Refunding Bonds; (ii) 125% of a fraction, the numerator of which is the sum of the interest, principal and Sinking Fund Installments on the Outstanding Refunding Bonds payable beginning in such Bond Year and each succeeding Bond Year thereafter until the maturity of the Outstanding Refunding Bonds, and the denominator of which is the number of years or portion thereof until the maturity of the Outstanding Refunding Bonds; or (iii) the sum of 10% of the “proceeds” of the Outstanding Refunding Bonds, within the meaning of Section 148(d) of the Code; provided, however, that if each Rating Agency that has been requested by the Trust to publish a rating for any Series of Refunding Bonds, determines that such Rating Agency shall assign to such Series of Refunding Bonds the then highest rating assigned to any such debt instruments by such Rating Agency notwithstanding the fact that the portion of the Debt Service Reserve Requirement calculated pursuant to this paragraph (2) is equal to \$0.00, then, given such factual circumstances, the portion of the Debt Service Reserve Requirement calculated pursuant to this paragraph (2) shall be equal to \$0.00 during the entire period during which such Refunding Bonds remain Outstanding.”

(1) The definition of “Debt Service Reserve Requirement” in Section 1.01 of the Original Series 2004B Bond Resolution is hereby amended and restated in its entirety as follows:

“Debt Service Reserve Requirement” means, as of any date of calculation:

(1) an amount equal to the lesser of (i) the greatest amount required in the then current Bond Year or in any future Bond Year to pay the sum of (a) interest on the Outstanding Series 2005B Bonds and (b) principal or Sinking Fund Installments, as the case may be, of the Outstanding Series 2005B Bonds; (ii) 125% of a fraction, the numerator of which is the sum of the interest, principal and Sinking Fund Installments on the Outstanding Series 2005B Bonds payable beginning in such Bond Year and each succeeding Bond Year thereafter until the maturity of the Outstanding Series 2005B Bonds, and the denominator of which is the number of years or portion thereof until the maturity of the Outstanding Series 2005B Bonds; or (iii) the sum of 10% of the “proceeds” of the Series 2005B Bonds, but only if such Series 2005B Bonds are Outstanding, within the meaning of Section 148(d) of the Code; plus

(2) an amount equal to the lesser of (i) the greatest amount required in the then current Bond Year or in any future Bond Year to pay the sum of (a) interest on the Outstanding Refunding Bonds and (b) principal or Sinking Fund Installments, as the case may be, of the Outstanding Refunding Bonds; (ii) 125% of a fraction, the numerator of which is the sum of the interest, principal and Sinking Fund Installments on the Outstanding Refunding Bonds payable beginning in such Bond Year and each succeeding Bond Year thereafter until the maturity of the Outstanding Refunding Bonds, and the denominator of which is the number of years or portion thereof until the maturity of the Outstanding Refunding Bonds; or (iii) the sum of 10% of the “proceeds” of the Outstanding Refunding Bonds, within the meaning of Section 148(d) of the Code; provided, however, that if each Rating Agency that has been requested by the Trust to publish a rating for any Series of Refunding Bonds, determines that such Rating Agency shall assign to such Series of Refunding Bonds the then highest rating assigned to any such debt instruments by such Rating Agency notwithstanding the fact that the portion of the Debt Service Reserve Requirement calculated pursuant to this paragraph (2) is equal to \$0.00, then, given such factual circumstances, the portion of the Debt Service Reserve Requirement calculated pursuant to this paragraph (2) shall be equal to \$0.00 during the entire period during which such Refunding Bonds remain Outstanding.”

**SECTION 1.02. Authority for Supplemental Bond Resolution.** This Series 2014B-R Refunding Supplemental Bond Resolution is adopted pursuant to and in accordance with the provisions of the Act and Section 2.04 and Article XI of each of the Original Bond Resolutions, as amended and supplemented.

## ARTICLE II

### AUTHORIZATION AND DETAILS OF SERIES 2014B-R REFUNDING BONDS

#### SECTION 2.01. [Reserved].

#### SECTION 2.02. Issuance of Series 2014B-R Refunding Bonds; Parity Nature of Bonds; Savings.

(A) The Trust hereby declares the issuance of the Series 2014B-R Refunding Bonds to be an authorized undertaking of the Trust pursuant to the Act and Section 2.04(1) of each of the Original Bond Resolutions, as amended and supplemented, and hereby authorizes and directs an Authorized Officer to execute and deliver all documents necessary or desirable in connection therewith.

(B) (i) In accordance with the terms of the Series 2004B Bond Resolution, upon the issuance of the Series 2014B-R Refunding Bonds in accordance with the terms hereof, the Holders of the Series 2014B-R Refunding Bonds, to the extent of the 2004B Allocable Portion, will be equally and ratably entitled to the benefit of the pledge of the Trust Estate (as defined in the Series 2004B Bond Resolution) under the Series 2004B Bond Resolution with the Holders of any other Series of Bonds to be issued under the Series 2004B Bond Resolution, including, without limitation, and the rights to the Loan Repayments (as defined in the Series 2004B Bond Resolution). Accordingly, all of the Series 2004B Outstanding Obligations shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2004B Bond Resolution.

(ii) In accordance with the terms of the Series 2005B Bond Resolution, upon the issuance of the Series 2014B-R Refunding Bonds in accordance with the terms hereof, the Holders of the Series 2014B-R Refunding Bonds, to the extent of the 2005B Allocable Portion, will be equally and ratably entitled to the benefit of the pledge of the Trust Estate (as defined in the Series 2005B Bond Resolution) under the Series 2005B Bond Resolution with the Holders of any other Series of Bonds to be issued under the Series 2005B Bond Resolution, including, without limitation, and the rights to the Loan Repayments (as defined in the Series 2005B Bond Resolution). Accordingly, all of the Series 2005B Outstanding Obligations shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2005B Bond Resolution.

(C) (i) As a result of the parity nature of the Series 2004B Outstanding Obligations, the Loan Repayments to be made by the Series 2004B Borrowers shall be allocated by the 2004B Trustee on a pro-rata basis to the Accounts within the Revenue Fund, and thereafter the Debt Service Fund (as such terms are defined in the Series 2004B Bond Resolution), for each such Series 2004B Outstanding Obligations for payment of the principal and redemption premium, if any, of and the interest on all of such Series 2004B Outstanding Obligations. Further, the issuance of the Series 2014B-R Refunding Bonds or any other Series 2004B Outstanding Obligations shall have no effect on the rights of the 2004B Trustee and the Holders of the Series 2004B Outstanding Obligations to recover any deficiency in amounts on deposit in the Debt Service Fund on any

Interest Payment Date caused by any reason, including, without limitation, the deficiency in Loan Repayments of one or more Series 2004B Borrowers, from amounts on deposit in the Debt Service Reserve Fund, which rights shall be limited to the unused portion of any such Series 2004B Borrower's Allocable Share of the Debt Service Reserve Fund as set forth in Article V of the Original 2004B Bond Resolution, as amended and supplemented. Therefore, any such recovery from the Debt Service Reserve Fund shall also be allocated by the 2004B Trustee on a pro-rata basis to the Accounts within the Debt Service Fund for each such Series of Series 2004B Outstanding Obligations for payment of the principal and redemption premium, if any, of and the interest on all of such Series of Series 2004B Outstanding Obligations.

(ii) As a result of the parity nature of the Series 2005B Outstanding Obligations, the Loan Repayments to be made by the Series 2005B Borrowers shall be allocated by the 2005B Trustee on a pro-rata basis to the Accounts within the Revenue Fund, and thereafter the Debt Service Fund (as such terms are defined in the Series 2005B Bond Resolution), for each such Series 2005B Outstanding Obligations for payment of the principal and redemption premium, if any, of and the interest on all of such Series 2005B Outstanding Obligations. Further, the issuance of the Series 2014B-R Refunding Bonds or any other Series 2005B Outstanding Obligations shall have no effect on the rights of the 2005B Trustee and the Holders of the Series 2005B Outstanding Obligations to recover any deficiency in amounts on deposit in the Debt Service Fund on any Interest Payment Date caused by any reason, including, without limitation, the deficiency in Loan Repayments of one or more Series 2005B Borrowers, from amounts on deposit in the Debt Service Reserve Fund, which rights shall be limited to the unused portion of any such Series 2005B Borrower's Allocable Share of the Debt Service Reserve Fund as set forth in Article V of the Original 2005B Bond Resolution, as amended and supplemented, and further limited to the payment the principal and redemption premium, if any of and the interest on the Series 2005B Bonds. Therefore, any such recovery from the Debt Service Reserve Fund shall also be allocated by the 2005B Trustee on a pro-rata basis to the Accounts within the Debt Service Fund for such Series of Series 2005B Outstanding Obligations for payment of the principal and redemption premium, if any, of and the interest on all of such Series of Series 2005B Outstanding Obligations.

(D) (i) Upon issuance of the Series 2014B-R Refunding Bonds, the aggregate of the sum of the principal amounts of the Series 2004B Outstanding Obligations shall be equal to or less than the aggregate principal amount of the Series 2004B Borrower Trust Loan Bonds that are outstanding as of such date of issuance of the Series 2014B-R Refunding Bonds. Upon the allocation of the Savings to the Series 2004B Borrowers through the Savings Credits and to the Trust through the Withheld Savings, the aggregate principal amount of the Series 2004B Borrower Trust Loan Bonds, net of the Savings Credits and the Withheld Savings allocable thereto, shall equal the aggregate principal amount of the Outstanding Bonds. Notwithstanding any provision to the contrary in the Series 2004B Bond Resolution and in light of the foregoing, to the extent there is an acceleration of the then Outstanding Series 2004B Outstanding Obligations, the 2004B Trustee might receive Loan Repayments earmarked to pay the principal amount of the accelerated Outstanding Series 2004B Outstanding Obligations in excess of said Outstanding Series 2004B Outstanding Obligations. In such case, any such excess amount shall be deposited by the 2004B Trustee in the General Fund (as such term is defined pursuant to the Series 2004B Bond Resolution) to be used by the Trust free and clear of any lien created under the Series 2004B Bond Resolution for any corporate purpose of the Trust.

(ii) Upon issuance of the Series 2014B-R Refunding Bonds, the aggregate of the sum of the principal amounts of the Series 2005B Outstanding Obligations shall be equal to or less than the aggregate principal amount of the Series 2005B Borrower Trust Loan Bonds that are outstanding as of such date of issuance of the Series 2014B-R Refunding Bonds. Upon the allocation of the Savings to the Series 2005B Borrowers through the Savings Credits and to the Trust through the Withheld Savings, the aggregate principal amount of the Series 2005B Borrower Trust Loan Bonds, net of the Savings Credits and the Withheld Savings allocable thereto, shall equal the aggregate principal amount of the Outstanding Bonds. Notwithstanding any provision to the contrary in the Series 2005B Bond Resolution and in light of the foregoing, to the extent there is an acceleration of the then Outstanding Series 2005B Outstanding Obligations, the 2005B Trustee might receive Loan Repayments earmarked to pay the principal amount of the accelerated Outstanding Series 2005B Outstanding Obligations in excess of said Outstanding Series 2005B Outstanding Obligations. In such case, any such excess amount shall be deposited by the 2005B Trustee in the General Fund (as such term is defined pursuant to the Series 2005B Bond Resolution) to be used by the Trust free and clear of any lien created under the Series 2005B Bond Resolution for any corporate purpose of the Trust.

(E) (i) The 2004B Trustee is hereby authorized and directed to allocate the 2004B Savings, other than the Withheld Savings, in the amounts, at the times and to the Series 2004B Borrowers, through the application of the Savings Credits set forth in the Savings Credit Schedules, as a credit to the Loan Repayments otherwise due from such Series 2004B Borrower on each such Loan Repayment date specified in such Savings Credit Schedule.

(ii) The 2005B Trustee is hereby authorized and directed to allocate the 2005B Savings, other than the Withheld Savings, in the amounts, at the times and to the Series 2005B Borrowers, through the application of the Savings Credits set forth in the Savings Credit Schedules, as a credit to the Loan Repayments otherwise due from such Series 2005B Borrower on each such Loan Repayment date specified in such Savings Credit Schedule.

(F) (i) On January 1, 2015, any moneys remaining in the Costs of Issuance Account in the Operating Expense Fund (as such term is defined in the Series 2004B Bond Resolution) shall be paid by the Trust to the 2004B Trustee for deposit in the Debt Service Fund (as such term is defined in the Series 2004B Bond Resolution) to be used to pay interest on the Series 2004B Allocable Portion on the first available Interest Payment Date.

(ii) On January 1, 2015, any moneys remaining in the Costs of Issuance Account in the Operating Expense Fund (as such term is defined in the Series 2005B Bond Resolution) shall be paid by the Trust to the 2005B Trustee for deposit in the Debt Service Fund (as such term is defined in the Series 2005B Bond Resolution) to be used to pay interest on the Series 2005B Allocable Portion on the first available Interest Payment Date.

### **SECTION 2.03. Authorization and Terms of the Series 2014B-R Refunding Bonds.**

(A) The Trust hereby authorizes the issuance of the Series 2014B-R Refunding Bonds in the aggregate principal amount not to exceed an amount such that the aggregate principal

amount of the Series 2004B Outstanding Obligations and the Series 2005B Outstanding Obligations equals the aggregate principal amount of the Outstanding Borrower Trust Loan Bonds (after taking into account the allocation of the Savings to the Borrowers through the Savings Credits and to the Trust through the Withheld Savings), and in the exact principal amount as set forth in a Certificate of an Authorized Officer of the Trust pursuant to Section 6.01 hereof, for the following purposes: (1) the 2014 Refunding of the Bonds to be Refunded and (2) the payment of certain expenses incurred in connection with the issuance of the Series 2014B-R Refunding Bonds; provided that:

(i) the aggregate principal amount of the 2004B Allocable Portion shall not exceed an amount such that the aggregate principal amount of the Series 2004B Outstanding Obligations equals the aggregate principal amount of the Outstanding Series 2004B Borrower Trust Loan Bonds (after taking into account the allocation of the 2004B Savings to the Series 2004B Borrowers through the Savings Credits);

(ii) the aggregate principal amount of the 2005B Allocable Portion shall not exceed an amount such that the aggregate principal amount of the Series 2005B Outstanding Obligations equals the aggregate principal amount of the Outstanding Series 2005B Borrower Trust Loan Bonds (after taking into account the allocation of the 2005B Savings to the Series 2005B Borrowers through the Savings Credits); and

Notwithstanding any provision of this Section 2.03(A) or this Series 2014B-R Refunding Supplemental Bond Resolution to the contrary, the Series 2014B-R Refunding Bonds shall not be issued by the Trust until satisfaction in full of the Trust Conditions Precedent.

(B) The Series 2014B-R Refunding Bonds shall bear interest from the date of issuance thereof until final maturity (stated or otherwise) based upon the Outstanding principal amount thereof at the per annum interest rates set forth below payable to the registered owners thereof as of each applicable Record Date and payable initially on March 1, 2015 and semiannually thereafter on March 1 and September 1 in each year until final maturity (stated or otherwise). Interest on the Series 2014B-R Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months. The Series 2014B-R Refunding Bonds shall mature in the principal amounts and on September 1 in each of the years set forth below. The principal of and interest on the Series 2014B-R Refunding Bonds shall, except as provided in Article II of this Series 2014B-R Refunding Supplemental Bond Resolution, be payable as otherwise provided in each of the Original Bond Resolutions, as respectively amended and supplemented. Except as provided in subsection (D) and Section 2.09 below, interest shall be paid to the registered owner as of the applicable Record Date by check mailed on any applicable Interest Payment Date.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2015			2021		
2016			2022		
2017			2023		
2018			2024		
2019			2025		
2020					

(C) (i) The 2004B Allocable Portion shall consist of that portion of the Series 2014B-R Refunding Bonds maturing on the dates and in the principal amounts set forth in the table below.

<u>Year</u>	<u>Principal Amount</u>
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	

(ii) The 2005B Allocable Portion shall consist of that portion of the Series 2014B-R Refunding Bonds maturing on the dates and in the principal amounts set forth in the table below.

<u>Year</u>	<u>Principal Amount</u>
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	

(D) The Series 2014B-R Refunding Bonds shall be dated the date of issuance thereof, shall be numbered with the prefix 2014B-R-R from 1 consecutively upward, and will be issued in fully registered form. When issued, the Series 2014B-R Refunding Bonds will be registered in the name of and held by Cede & Co., as the registered owner thereof and nominee for DTC. Upon issuance, the Series 2014B-R Refunding Bonds will be delivered to DTC in single denominations for each maturity thereof. Purchases of the Series 2014B-R Refunding Bonds will be made in book-entry form (without certificates) in denominations of \$5,000 each or any integral multiple thereof. The Series 2014B-R Refunding Bonds will be issued in denominations of \$5,000 each or any integral multiple thereof.

Notwithstanding any other provision in any of the Original Bond Resolutions or this Series 2014B-R Refunding Supplemental Bond Resolution to the contrary, so long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2014B-R Refunding Bonds, payments of the principal of and interest on the Series 2014B-R Refunding Bonds will be made directly to Cede & Co., as nominee for DTC, in accordance with the provisions of the DTC Representation Letter and Section 2.09 hereof, and interest shall be paid on each Interest Payment Date by wire transfer from the Series 2014B-R Refunding Fiduciary to DTC. Disbursal of such payments to the DTC participants is the responsibility of DTC, and disbursal of such payments to the beneficial owners of the Series 2014B-R Refunding Bonds is the responsibility of the DTC participants.

(E) The Series 2014B-R Refunding Bonds shall constitute a single Series of Bonds, and each shall be designated “Environmental Infrastructure Refunding Bond, Series 2014B-R (AMT)”.

#### **SECTION 2.04. Redemption of the Series 2014B-R Refunding Bonds.**

(A) **Optional Redemption.** The Series 2014B-R Refunding Bonds are not subject to optional redemption prior to their stated maturities.

(B) **Mandatory Sinking Fund Redemption.** The Series 2014B-R Refunding Bonds are not subject to mandatory sinking fund redemption prior to their stated maturities.

**SECTION 2.05. Form of Series 2014B-R Refunding Bonds.** The Series 2014B-R Refunding Bonds shall be in substantially the form set forth in Exhibit B attached hereto and made a part hereof, with such insertions, omissions or variations as may be necessary or appropriate to effectuate the purposes of this Series 2014B-R Refunding Supplemental Bond Resolution, including, without limitation, the dated dates, maturity dates, principal or sinking fund amounts, interest rates and redemption provisions set forth herein, and including, without limitation, the 2014 Refunding of the Bonds to be Refunded.

#### **SECTION 2.06. Execution, Authentication and Delivery; Assignment of Certain Duties to the Series 2014B-R Refunding Fiduciary.**

(A) The Chairman or Vice Chairman of the Trust are each hereby severally authorized to execute the Series 2014B-R Refunding Bonds, and the Secretary and Assistant Secretary of the Trust are hereby severally authorized to attest to the execution of the Series 2014B-R Refunding



Bonds by the Chairman or Vice Chairman of the Trust and to affix the corporate seal of the Trust upon the Series 2014B-R Refunding Bonds, all in accordance with Article III of each of the Original Bond Resolutions, as amended and supplemented. Following execution of the Series 2014B-R Refunding Bonds, any Authorized Officer is hereby authorized to deliver the Series 2014B-R Refunding Bonds to the Trustee for authentication.

**(B)** With respect to the Series 2014B-R Refunding Bonds, the Trust hereby assigns to the Series 2014B-R Refunding Fiduciary (i) the duties assigned to the 2004B Trustee pursuant to Sections 3.03, 3.04, 3.05, 3.06, 3.07, 3.08 and Article IV of the Original 2004B Bond Resolution, as amended and supplemented, and (ii) the duties assigned to the 2005B Trustee pursuant to Sections 3.03, 3.04, 3.05, 3.06, 3.07, 3.08 and Article IV of the Original 2005B Bond Resolution, as amended and supplemented. Performance of such duties by the Series 2014B-R Refunding Fiduciary with respect to the Series 2014B-R Refunding Bonds shall be deemed to satisfy the requirements of such Sections of the respective original Bond Resolutions with respect to the Series 2014B-R Refunding Bonds.

**(C)** The Series 2014B-R Refunding Fiduciary is hereby authorized and directed to authenticate the Series 2014B-R Refunding Bonds in accordance with Article III of each of the Original Bond Resolutions, as amended and supplemented, and Section 2.06(B) hereof, and thereafter deliver the Series 2014B-R Refunding Bonds to the Trust or purchaser thereof in accordance with a Certificate of an Authorized Officer, but such delivery shall not occur unless (i) the Trust Conditions Precedent have been satisfied in full and (ii) the provisions of Article II of the each of the Original Bond Resolutions, as amended and supplemented, regarding conditions precedent to the issuance of a Series of Bonds, have been satisfied in full.

**SECTION 2.07. Refunding Bonds.** After execution of the Series 2014B-R Refunding Bonds by the Trust as provided in each of the Original Bond Resolutions, as amended and supplemented by this Series 2014B-R Refunding Supplemental Bond Resolution, and after the authentication and delivery thereof as also provided in each of the Original Bond Resolutions, as amended and supplemented by this Series 2014B-R Refunding Supplemental Bond Resolution, (i) the 2004B Allocable Portion shall constitute Refunding Bonds in accordance with Article II of the Original 2004B Bond Resolution, as amended and supplemented, and (ii) the 2005B Allocable Portion shall constitute Refunding Bonds in accordance with Article II of the Original 2005B Bond Resolution, as amended and supplemented.

**SECTION 2.08. Payment with Respect to Allocable Portions; Payment with Respect to Series 2014B-R Refunding Bonds.**

**(A) (i)** The principal of the 2004B Allocable Portion shall be payable by the 2004B Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program Trust Agreement), to the Series 2014B-R Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2004B Trustee and the Series 2014B-R Refunding Fiduciary. Interest on the 2004B Allocable Portion shall be payable by the 2004B Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program Trust Agreement), to the Series 2014B-R Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be

acceptable to the 2004B Trustee and the Series 2014B-R Refunding Fiduciary.

(ii) The principal of the 2005B Allocable Portion shall be payable by the 2005B Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program Trust Agreement), to the Series 2014B-R Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2005B Trustee and the Series 2014B-R Refunding Fiduciary. Interest on the 2005B Allocable Portion shall be payable by the 2005B Trustee, not later than three (3) days prior to the due date thereof (or such shorter period as may be required by the Master Program Trust Agreement), to the Series 2014B-R Refunding Fiduciary, by electronic transfer of funds or in such other manner as shall be acceptable to the 2005B Trustee and the Series 2014B-R Refunding Fiduciary.

(B) The principal of the Series 2014B-R Refunding Bonds shall be payable to the Holders thereof upon presentation and surrender thereof at the principal office of The Series 2014B-R Refunding Fiduciary. The principal of all Series 2014B-R Refunding Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Series 2014B-R Refunding Fiduciary as permitted by this Series 2014B-R refunding Supplemental Bond Resolution. Interest on the Series 2014B-R Refunding Bonds shall be payable by check or draft of the Series 2014B-R Refunding Fiduciary, mailed or transmitted, respectively, to the Holders thereof as the same appear as of the Record Date on the books of the Trust maintained by the Series 2014B-R Refunding Fiduciary. However, so long as the Series 2014B-R Refunding Bonds are held in book-entry-only form pursuant to Section 2.09 hereof, the provisions of Section 2.09 shall govern the payment of principal of, and interest on, the Series 2014B-R Refunding Bonds.

#### **SECTION 2.09. Book-Entry Format.**

(A) Except as provided in subparagraph (C) of this Section 2.09, the registered Holder of all of the Series 2014B-R Refunding Bonds shall be, and the Series 2014B-R Refunding Bonds shall be registered in the name of, Cede & Co. as nominee of DTC. Payment of semiannual interest for any Series 2014B-R Refunding Bond shall be made by wire transfer to the account of Cede & Co. on the Interest Payment Date for the Series 2014B-R Refunding Bonds at the address indicated for Cede & Co. in the registry books of the Trust kept by the Series 2014B-R Refunding Fiduciary.

(B) The Series 2014B-R Refunding Bonds shall be issued initially in the form of a separate single fully registered Bond in the amount of the aggregate principal amount of each separate stated maturity of the Series 2014B-R Refunding Bonds. Upon initial issuance, the ownership of each such Series 2014B-R Refunding Bond shall be registered in the registry books of the Trust kept by the Series 2014B-R Refunding Fiduciary in the name of Cede & Co., as nominee of DTC. With respect to Series 2014B-R Refunding Bonds registered in the registry books kept by the Series 2014B-R Refunding Fiduciary in the name of Cede & Co., as nominee of DTC, the Trust and the Series 2014B-R Refunding Fiduciary shall have no responsibility or obligation to any participant or to any beneficial owner of such Series 2014B-R Refunding Bonds. Without limiting the immediately preceding sentence, the Trust and the Series 2014B-R Refunding Fiduciary shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any participant with respect to any beneficial ownership interest in the

Series 2014B-R Refunding Bonds, (ii) the delivery to any participant, any beneficial owner or any other person, other than DTC, of any notice with respect to the Series 2014B-R Refunding Bonds, including any notice of redemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than DTC, of any amount with respect to the principal of, or interest on, the Series 2014B-R Refunding Bonds. The Trust and the Series 2014B-R Refunding Fiduciary may treat as, and deem DTC to be, the absolute owner of each Series 2014B-R Refunding Bond for the purpose of payment of the principal of, and interest on, each such Series 2014B-R Refunding Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2014B-R Refunding Bonds, for the purpose of registering transfers with respect to such Series 2014B-R Refunding Bonds and for all other purposes whatsoever. The Series 2014B-R Refunding Fiduciary shall pay all principal of, and interest on, the Series 2014B-R Refunding Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Trust's obligations with respect to the principal of, and interest on, the Series 2014B-R Refunding Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive a Series 2014B-R Refunding Bond evidencing the obligation of the Trust to make payments of principal of, and interest on, the Series 2014B-R Refunding Bonds pursuant to this Bond Resolution. Upon delivery by DTC to the Series 2014B-R Refunding Fiduciary of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the term "Cede & Co." in this Series 2014 Refunding Supplemental Bond Resolution shall refer to such new nominee of DTC.

(C) (i) DTC may determine to discontinue providing its services with respect to the Series 2014B-R Refunding Bonds at any time by giving written notice to the Trust and the Series 2014B-R Refunding Fiduciary and discharging its responsibilities with respect thereto under applicable law.

(ii) The Trust, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2014B-R Refunding Bonds if the Trust so determines, and shall terminate the services of DTC with respect to the Series 2014B-R Refunding Bonds upon receipt by the Trust and the Series 2014B-R Refunding Fiduciary of written notice from DTC to the effect that DTC has received written notice from participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Series 2014B-R Refunding Bonds to the effect that: (1) DTC is unable to discharge its responsibilities with respect to the Series 2014B-R Refunding Bonds; or (2) a continuation of the requirement that all of the Outstanding Series 2014B-R Refunding Bonds be registered in the registration books kept by the Series 2014B-R Refunding Fiduciary in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2014B-R Refunding Bonds.

(iii) Upon the termination of the services of DTC with respect to the Series 2014B-R Refunding Bonds pursuant to subsection 2.09(C)(ii)(2) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2014B-R Refunding Bonds pursuant to subsection 2.09(C)(i) or subsection 2.09(C)(ii)(1) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Trust, is willing and able to undertake such functions upon reasonable and customary terms, the Series 2014B-R Refunding Bonds shall no longer be

restricted to being registered in the registration books kept by the Series 2014B-R Refunding Fiduciary in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Series 2014B-R Refunding Bonds shall designate, in accordance with the provisions hereof.

(D) Notwithstanding any other provision of this Series 2014B-R Refunding Supplemental Bond Resolution to the contrary, so long as any Series 2014B-R Refunding Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, and interest on, such Series 2014B-R Refunding Bond and all notices with respect to such Series 2014B-R Refunding Bond shall be made and given, respectively, to DTC as provided in the representation letter of the Trust and the Series 2014B-R Refunding Fiduciary addressed to DTC with respect to the Series 2014B-R Refunding Bonds.

(E) In connection with any notice or other communication to be provided to Bondholders pursuant to this Series 2014B-R Refunding Supplemental Bond Resolution by the Trust or the Series 2014B-R Refunding Fiduciary with respect to any consent or other action to be taken by Bondholders, the Trust or the Series 2014B-R Refunding Fiduciary, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

### ARTICLE III

#### CREATION AND ESTABLISHMENT OF ESCROW FUNDS AND SEPARATE ACCOUNTS WITHIN ALL FUNDS; APPLICATION OF SERIES 2014B-R REFUNDING BOND PROCEEDS AND TAX CERTIFICATE

##### **SECTION 3.01. Creation of Escrow Funds, Separate Accounts within all Funds and Certain Other Accounts and Funds.**

(A) (i) The Trust hereby creates, and the 2004B Trustee shall establish, for the sole benefit of the Holders of the Series 2004B Bonds to be Refunded in accordance with the terms of the Defeased Series 2004B Bond Escrow Deposit Agreement, a special and irrevocable escrow fund designated “Defeased Environmental Infrastructure Bonds, Series 2004B Escrow Fund (2014)” (the “Defeased Series 2004B Bond Escrow Fund”).

(ii) The Trust hereby creates, and the 2005B Trustee shall establish, for the sole benefit of the Holders of the Series 2005B Bonds to be Refunded in accordance with the terms of the Defeased Series 2005B Bond Escrow Deposit Agreement, a special and irrevocable escrow fund designated “Defeased Environmental Infrastructure Bonds, Series 2005B Escrow Fund (2014)” (the “Defeased Series 2005B Bond Escrow Fund”).

(B) (i) Section 5.01 of the Original 2004B Bond Resolution is hereby amended and supplemented as follows: The Trust hereby directs the 2004B Trustee to establish separate subaccounts for the 2004B Allocable Portion within each Account created under the Series 2004B Bond Resolution that is held by the 2004B Trustee. The Trust hereby further directs the 2004B Trustee to establish separate Accounts for the 2004B Allocable Portion within each Fund created under the Series 2004B Bond Resolution that is held by the 2004B Trustee. The Trust is hereby authorized and directed to establish separate subaccounts within each Account created under the Series 2004B Bond Resolution that is held by the Trust. The Trust is hereby authorized and directed to establish separate Accounts within each Fund created under the Series 2004B Bond Resolution that is held by the Trust.

(ii) Section 5.01 of the Original 2005B Bond Resolution is hereby amended and supplemented as follows: The Trust hereby directs the 2005B Trustee to establish separate subaccounts for the 2005B Allocable Portion within each Account created under the Series 2005B Bond Resolution that is held by the 2005B Trustee. The Trust hereby further directs the 2005B Trustee to establish separate Accounts for the 2005B Allocable Portion within each Fund created under the Series 2005B Bond Resolution that is held by the 2005B Trustee. The Trust is hereby authorized and directed to establish separate subaccounts within each Account created under the Series 2005B Bond Resolution that is held by the Trust. The Trust is hereby authorized and directed to establish separate Accounts within each Fund created under the Series 2005B Bond Resolution that is held by the Trust.

##### **SECTION 3.02. Amendment of Section 5.05 of each of the Original Series 2004B Bond Resolution and the Original Series 2005B Bond Resolution.**

(A) Section 5.05 of the Original Series 2004B Bond Resolution is hereby amended to include at the end thereof the following paragraph 6:

“6. On each Interest Payment Date, after giving effect to the transfers set forth in paragraphs (1) through (4) of this Section 5.05, the Trustee shall transfer from amounts in the SRF Account and the Non-SRF Account of the Revenue Fund to the Administrative Fee Account an amount equal to the aggregate of the Withheld Savings with respect to such Interest Payment Date, as set forth on the Savings Credit Schedules, which Withheld Savings shall be applied by the Trust in accordance with the provisions of Section 5.03(4) hereof.”

(B) Section 5.05 of the Original Series 2005B Bond Resolution is hereby amended to include at the end thereof the following paragraph 6:

“6. On each Interest Payment Date, after giving effect to the transfers set forth in paragraphs (1) through (4) of this Section 5.05, the Trustee shall transfer from amounts in the SRF Account and the Non-SRF Account of the Revenue Fund to the Administrative Fee Account an amount equal to the aggregate of the Withheld Savings with respect to such Interest Payment Date, as set forth on the Savings Credit Schedules, which Withheld Savings shall be applied by the Trust in accordance with the provisions of Section 5.03(4) hereof.”

**SECTION 3.03. Application of the Proceeds of the Series 2014B-R Refunding Bonds and Other Moneys.** The proceeds of the Series 2014B-R Refunding Bonds of \$\_\_\_\_\_ (par of \$\_\_\_\_\_, plus original issue premium of \$\_\_\_\_\_, less underwriters' discount of \$\_\_\_\_\_), shall be received by the Series 2014B-R Refunding Fiduciary, and shall be paid to the respective Series Trustees in accordance with the respective Allocable Portions, in the amounts set forth in a Certificate of an Authorized Officer of the Trust. Each of the Series Trustees shall deposit or transfer such respective amounts, together with such amounts on deposit in the respective Funds and Accounts under the respective Series Bond Resolutions as set forth in a Certificate of an Authorized Officer of the Trust, into the Funds and Accounts as set forth in a Certificate of an Authorized Officer of the Trust, to effect the 2014 Refunding of the Bonds to be Refunded; provided that the origin of moneys for such funds shall comply in all respects with the respective Original Bond Resolutions, as amended and supplemented, and the Code.

**SECTION 3.04. Tax Exempt Status of Series 2014B-R Refunding Bonds.** The Trust covenants to comply with the provisions of the Code applicable to the Series 2014B-R Refunding Bonds and covenants not to take any action or fail to take any action that would cause the interest on the Series 2014B-R Refunding Bonds to become includable in gross income of the owners thereof for Federal income tax purposes under Section 103 of the Code. In accordance therewith, the Trust hereby authorizes and directs an Authorized Officer to execute a tax certificate prior to the issuance of the Series 2014B-R Refunding Bonds in such form as specified by Bond Counsel to the Trust.

## ARTICLE IV

### **APPOINTMENT OF SERIES 2014B-R REFUNDING FIDUCIARY SERIES TRUSTEES, SERIES PAYING AGENTS AND DEFEASED BOND ESCROW AGENTS**

**SECTION 4.01. Appointment of Series 2014B-R Refunding Fiduciary.** U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Series 2014B-R Refunding Fiduciary for the holders of the Series 2014B-R Refunding Bonds. The Series 2014B-R Refunding Fiduciary shall signify its acceptance of the duties and obligations imposed upon it by the terms of this Series 2014B-R Refunding Supplemental Bond Resolution by executing the certificate of authentication endorsed upon the Series 2014B-R Refunding Bonds upon the original issuance thereof. The resignation or removal of, and the appointment of a successor to, the Series 2014B-R Refunding Fiduciary and all other provisions relating thereto shall be subject to the relevant provisions relating to the Series Trustees, as set forth in Article X or otherwise of each of the Original Bond Resolutions, as amended and supplemented, the provisions of which are hereby incorporated herein and applied to the Series 2014B-R Refunding Fiduciary. The Series 2014B-R Refunding Fiduciary shall be entitled to all of the rights, indemnities and protections to which the respective Series Trustees are entitled, as set forth in Article X of each of the Original Bonds Resolutions, as amended and supplemented. Nothing contained in any of the Original Bond Resolutions or this Series 2014B-R Refunding Supplemental Bond Resolution shall preclude or prohibit any banking corporation or banking association from simultaneously serving as Series 2014B-R Refunding Fiduciary and as Series Trustee pursuant to one or more of the Series Bond Resolutions.

### **SECTION 4.02. Appointment of Series Trustees.**

**(A)** U.S. Bank National Association, Morristown, New Jersey, is hereby appointed 2004B Trustee for the 2004B Allocable Portion. The 2004B Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2004B Bond Resolution by executing and delivering a written acceptance thereof to the Trust. The replacement of the 2004B Trustee and all other provisions relating thereto shall be subject to the relevant provisions set forth in Article X or otherwise of the Original 2004B Bond Resolution, as amended and supplemented.

**(B)** U.S. Bank National Association, Morristown, New Jersey, is hereby appointed 2005B Trustee for the 2005B Allocable Portion. The 2005B Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2005B Bond Resolution by executing and delivering a written acceptance thereof to the Trust. The replacement of the 2005B Trustee and all other provisions relating thereto shall be subject to the relevant provisions set forth in Article X or otherwise of the Original 2005B Bond Resolution, as amended and supplemented.

#### **SECTION 4.03. Appointment of Series Paying Agents.**

(A) U.S. Bank National Association, Morristown, New Jersey, is hereby appointed 2004B Paying Agent for the 2004B Allocable Portion. The 2004B Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2004B Bond Resolution by executing and delivering a written acceptance thereof to the Trust and to the 2004B Trustee. The 2004B Trustee may be appointed and may serve as 2004B Paying Agent for the 2004B Applicable Portion.

(B) U.S. Bank National Association, Morristown, New Jersey, is hereby appointed 2005B Paying Agent for the 2005B Allocable Portion. The 2005B Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2005B Bond Resolution by executing and delivering a written acceptance thereof to the Trust and to the 2005B Trustee. The 2005B Trustee may be appointed and may serve as 2005B Paying Agent for the 2005B Allocable Portion.

#### **SECTION 4.04. Appointment of Defeased Bond Escrow Agents.**

(A) U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Defeased Series 2004B Bond Escrow Agent for the Series 2004B Bonds to be Refunded. The Defeased Series 2004B Bond Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Defeased Series 2004B Bond Escrow Deposit Agreement by executing and delivering same.

(B) U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Defeased Series 2005B Bond Escrow Agent for the Series 2005B Bonds to be Refunded. The Defeased Series 2005B Bond Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Defeased Series 2005B Bond Escrow Deposit Agreement by executing and delivering same.

**SECTION 4.05. Successors.** Notwithstanding any provision to the contrary in any of the following documents, the Trust hereby acknowledges that:

(A) for all purposes of the Series 2004B Bond Resolution, the Series 2004B Loan Servicing Agreement, the Defeased Series 2004B Bond Escrow Deposit Agreement and all other related documents, U.S. Bank National Association, Morristown, New Jersey, is the successor to the original 2004B Trustee and 2004B Paying Agent pursuant to the Original 2004B Bond Resolution; and

(B) for all purposes of the Series 2005B Bond Resolution, the Series 2005B Loan Servicing Agreement, the Defeased Series 2005B Bond Escrow Deposit Agreement and all other related documents, U.S. Bank National Association, Morristown, New Jersey, is the successor to the original 2005 Trustee and 2005 Paying Agent pursuant to the Original 2005B Bond Resolution.



## ARTICLE V

### DEFEASED BOND ESCROW DEPOSIT AGREEMENTS, SERIES 2014B-R CONTINUING DISCLOSURE AGREEMENTS, OFFICIAL STATEMENT AND SALE OF THE SERIES 2014B-R REFUNDING BONDS

#### **SECTION 5.01. Defeased Bond Escrow Deposit Agreement and Series 2014B-R Continuing Disclosure Agreements.**

(A) The Trust hereby severally authorizes any Authorized Officer to execute, deliver and perform the duties and obligations of the Trust pursuant to the terms of the Defeased Series 2004B Bond Escrow Deposit Agreement, the Defeased Series 2005B Bond Escrow Deposit Agreement and the Series 2014B-R Continuing Disclosure Agreements, each in the form attached hereto as Exhibit A, with such changes thereto as shall be within the constraints set forth herein and as shall be determined exclusively by the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State, which determination shall be conclusively evidenced by the Authorized Officer's execution and delivery thereof. Such Authorized Officer and any other Authorized Officer shall also take all other actions and execute any other documents, agreements, certificates or other instruments deemed necessary, convenient or desirable by such Authorized Officer or any such other Authorized Officer to consummate the transactions contemplated hereby and by the Defeased Series 2004B Bond Escrow Deposit Agreement, the Defeased Series 2005B Bond Escrow Deposit Agreement and the Series 2014B-R Continuing Disclosure Agreements; provided, however, that:

(i) the Defeased Series 2004B Bond Escrow Deposit Agreement shall in any event conform with all of the requirements for the defeasance of the Series 2004B Bonds to be Refunded as set forth in the Series 2004B Bond Resolution, particularly Article XII of the Original 2004B Bond Resolution, as amended and supplemented; and

(ii) the Defeased Series 2005B Bond Escrow Deposit Agreement shall in any event conform with all of the requirements for the defeasance of the Series 2005B Bonds to be Refunded as set forth in the Series 2005B Bond Resolution, particularly Article XII of the Original 2005B Bond Resolution, as amended and supplemented.

(B) (i) The delegation to the Authorized Officers set forth in subsection (A), above, of this Section 5.01, authorizing such Authorized Officer to take all actions deemed necessary, convenient or desirable by such Authorized Officer to consummate the transactions contemplated hereby and by the Defeased Series 2004B Bond Escrow Deposit Agreement shall include, without limitation, authorization to purchase Investment Securities (including, without limitation, United States Treasury Obligations – State and Local Government Series issued or held in book-entry form on the books of the Department of the Treasury of the United States), such purchase to be undertaken either directly or through the subscription services of professional advisors to the Trust, including, without limitation, the financial advisor to the Trust, in connection with the investment of the Defeased Series 2004B Bond Escrow Fund established in accordance with the terms of the Defeased Series 2004B Bond Escrow Deposit Agreement, and such Authorized Officer shall undertake whatever method of acquisition of such Investment Securities is deemed (i) in

compliance with the provisions of the Series 2004B Bond Resolution and (ii) applicable law, provided that such Authorized Officer has consulted with counsel and other applicable professional advisors to the Trust.

(ii) The delegation to the Authorized Officers set forth in subsection (A), above, of this Section 5.01, authorizing such Authorized Officer to take all actions deemed necessary, convenient or desirable by such Authorized Officer to consummate the transactions contemplated hereby and by the Defeased Series 2005B Bond Escrow Deposit Agreement shall include, without limitation, authorization to purchase Investment Securities (including, without limitation, United States Treasury Obligations – State and Local Government Series issued or held in book-entry form on the books of the Department of the Treasury of the United States), such purchase to be undertaken either directly or through the subscription services of professional advisors to the Trust, including, without limitation, the financial advisor to the Trust, in connection with the investment of the Defeased Series 2005B Bond Escrow Fund established in accordance with the terms of the Defeased Series 2005B Bond Escrow Deposit Agreement, and such Authorized Officer shall undertake whatever method of acquisition of such Investment Securities is deemed (i) in compliance with the provisions of the Series 2005B Bond Resolution and (ii) applicable law, provided that such Authorized Officer has consulted with counsel and other applicable professional advisors to the Trust.

**SECTION 5.02. Appointment of Verification Agent.** The Authorized Officers are hereby severally authorized and directed, in consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, secure the appointment of an independent nationally recognized certified public accountant, which shall, in accordance with the requirements of Section 2.04(2)(e) of each of the Original Bond Resolutions, as amended and supplemented, prepare and deliver to the Trust and the Trustee one or more verification reports with respect to the matters set forth in Sections 2.04(2)(c), 2.04(2)(d) and, if applicable, 2.04(2)(f) of each of the Original Bond Resolutions, as amended and supplemented.

**SECTION 5.03. Preliminary Official Statement.**

(A) The Authorized Officers are hereby severally authorized and directed, subsequent to (i) the satisfaction in full of the Trust Conditions Precedent and (ii) the satisfaction in full of all other legal conditions precedent to the delivery of the preliminary official statement relating to the Series 2014B-R Refunding Bonds (the “Preliminary Official Statement”) by the Trust, as such satisfaction shall be determined by the Authorized Officer in consultation with Bond Counsel and the Office of the Attorney General of the State, to “deem final” the Preliminary Official Statement in accordance with the provisions of Rule 15c2-12 and deliver the Preliminary Official Statement in the form and with such provisions as the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, deems in his sole discretion to be necessary or desirable for the delivery thereof, which delivery thereof by the Authorized Officer shall conclusively evidence his consent to the provisions thereof.

(B) The Authorized Officers are hereby severally authorized and directed to execute any certificate or document, including, without limitation, the Series 2014B-R Continuing

Disclosure Agreements, and to take such other actions as may be necessary, relating to any statutes, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, that the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State, deems necessary or desirable to effect the issuance, marketing and sale of the Series 2014B-R Refunding Bonds, and the transactions contemplated by the Preliminary Official Statement, including, without limitation, Rule 15c2-12.

**SECTION 5.04. Official Statement.** The Authorized Officers are hereby severally authorized and directed to execute and deliver a final official statement (the “Official Statement”) in substantially similar form to the Preliminary Official Statement, with such changes to reflect the final pricing as set forth in any documents relating to the sale of the Series 2014B-R Refunding Bonds and to reflect any other changes required under any applicable securities laws, rules or regulations as set forth in Section 5.03 hereof as the Authorized Officer, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, deems in his sole discretion to be necessary or desirable to effect the issuance of the Series 2014B-R Refunding Bonds and the transactions contemplated by the Official Statement, which delivery thereof by the Authorized Officer shall conclusively evidence his consent to the provisions thereof.

**SECTION 5.05. Sale of the Series 2014B-R Refunding Bonds.**

(A) The Authorized Officers are hereby severally authorized and directed to cause to be published and disseminated in connection with the marketing and sale of the Series 2014B-R Refunding Bonds a notice of sale with respect to the Series 2014B-R Refunding Bonds (the “Notice of Sale”), which Notice of Sale shall set forth, *inter alia*, the following terms and provisions, which terms and provisions shall be determined by the Authorized Officer after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust: (i) a summary of the terms of the Series 2014B-R Refunding Bonds; (ii) the criteria pursuant to which the award of the Series 2014B-R Refunding Bonds shall be made by the Trust; (iii) the date and time at which proposals for the purchase of the Series 2014B-R Refunding Bonds shall be accepted by the Trust; and (iv) the method by which the bidders for the purchase of the Series 2014B-R Refunding Bonds shall submit their proposals, which proposals shall be submitted to the Trust, in compliance with the Notice of Sale, via a written proposal for Series 2014B-R Refunding Bonds (the “Proposal for Bonds”).

(B) The Authorized Officers are hereby severally authorized and directed to cause (i) the Notice of Sale and the Proposal for Bonds to be disseminated simultaneously with the dissemination of the Preliminary Official Statement and (ii) a summary of the Notice of Sale to be published in compliance with Section 6(d) of the Act at least once in at least three newspapers published in the State and at least once in a publication carrying municipal bond notices and devoted primarily to financial news published in the State or in the City of New York, the first summary Notice of Sale to be published at least five (5) days prior to the date established by the Notice of Sale for the sale of the Series 2014B-R Refunding Bonds.

(C) On the date and time established therefore in the Notice of Sale, the Proposals for Bonds shall be received and accepted by the Authorized Officer. Upon receipt and acceptance of

the Proposals for Bonds, the Authorized Officers are hereby severally authorized and directed to open such Proposals for Bonds and, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, accept the successful Proposal for Bonds, such successful Proposal for Bonds to be determined based upon compliance with the terms of the Notice of Sale relating to the award of the Series 2014B-R Refunding Bonds and after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust.

(D) The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the marketing and sale of the Series 2014B-R Refunding Bonds, including, without limitation, such other actions as may be necessary in connection with the conduct of informational investment meetings; provided, however, that in each such instance the Authorized Officers shall comply with the provisions of this Section 5.05 and shall consult with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust with respect thereto.

**SECTION 5.06. Attestation.** The Secretary and Assistant Secretary of the Trust are hereby severally authorized and directed, where deemed necessary, desirable or convenient to effect the 2014B-R Refunding of the Bonds to be Refunded in the sole discretion of an Authorized Officer after consultation with Bond Counsel and the Office of the Attorney General of the State, to attest to the execution by any such Authorized Officer of any such documents, instruments or certificates executed by any such Authorized Officer pursuant to this Article V, and to affix the corporate seal of the Trust upon any such document, instrument or certificate.

**SECTION 5.07. Electronic Dissemination of the Preliminary Official Statement; Electronic Acceptance of Proposals for Bonds.**

(A) Notwithstanding any provision of this Series 2014B-R Refunding Supplemental Bond Resolution to the contrary, the Authorized Officers are hereby severally authorized at their discretion to disseminate the Preliminary Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Preliminary Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of Section 5.03 hereof.

(B) In complying with the provisions of Section 5.05 hereof, the Authorized Officers are hereby severally authorized at their discretion to accept Proposals for Bonds and complete the award of the Series 2014B-R Refunding Bonds, pursuant to the terms and provisions of the Notice of Sale, by means of electronic media; provided that, with respect to the selection of the particular electronic media and the implementation of the procedures for the exercise thereof, the Authorized Officer shall consult with counsel and other appropriate professional advisors to the Trust with respect thereto.

## ARTICLE VI

### MISCELLANEOUS

**SECTION 6.01. Certificate of an Authorized Officer Amending and Supplementing this Series 2014B-R Refunding Supplemental Bond Resolution.** Notwithstanding any other provision herein to the contrary, the Series 2014B-R Refunding Bonds shall not be issued until the Series 2014B-R Refunding Fiduciary and each Series Trustee receive one or more Certificates of an Authorized Officer setting forth (i) the aggregate principal amount of Series 2014B-R Refunding Bonds to be issued and the aggregate principal amount of each Allocable Portion, (ii) as applicable, the interest rates, principal amounts maturing, dated date, term of capitalized interest, redemption premiums, sinking fund installments, sinking fund payment dates, other redemption terms applicable to the Series 2014B-R Refunding Bonds and each Allocable Portion, and the amounts and sources of funds to be deposited in each of the Defeased Bond Escrow Funds, (iii) any changes to any of the Series Bond Resolution (1) required by any Rating Agency rating the Series 2014B-R Refunding Bonds, (2) required to ensure that interest on the Series 2014B-R Refunding Bonds is excludable from the gross income of the Holders of the Series 2014B-R Refunding Bonds pursuant to the Code, (3) reasonably requested by any of the Series Trustees or the Series 2014B-R Refunding Fiduciary in order to ensure that the Series Trustees and the Series 2014B-R Refunding Fiduciary are able to fulfill their respective duties and responsibilities pursuant to the respective Series Bond Resolutions and this Series 2014B-R Refunding Supplemental Bond Resolution, or (4) deemed by an Authorized Officer, in his sole discretion, after consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, to be necessary or desirable to effect the successful sale of the Series 2014B-R Refunding Bonds in accordance with Section 5.05 hereof, (iv) that the amount of 2004B Savings is equal to or greater than three percent (3%) of the principal amount of the Series 2004B Bonds to be Refunded on a net present value basis, (v) that the amount of 2005B Savings is equal to or greater than three percent (3%) of the principal amount of the Series 2005B Bonds to be Refunded on a net present value basis, (vi) the Savings Credit Schedules and the Withheld Savings relating to each respective Borrower, (vii) the Disclosure Borrowers, if any, as determined pursuant to the criteria set forth in Section 6.05 hereof, and (viii) subject to the parameters set forth in the definition of Series 2014B-R Refunding Bonds herein and upon the advice of Trust counsel and its professional advisors, the addition to, deletion from or modification of any financial term or any term remaining in blanks or brackets in this Series 2014B-R Refunding Supplemental Bond Resolution, as originally adopted on July 1, 2014, deemed necessary, desirable or convenient by any such Authorized Officer to sell the Series 2014B-R Refunding Bonds at the lowest cost and with the greatest Savings to effect the 2014 Refunding of the Bonds to be Refunded, the contents of which Certificate may be incorporated in this Series 2014B-R Refunding Supplemental Bond Resolution without compliance with any other provision of any of the Original Bond Resolutions, including, without limitation, Article XI of each of the Original Bond Resolutions, as amended and supplemented. The Authorized Officer executing any such Certificate shall report the substance of such Certificate to the members of the Trust at their next public meeting.

**SECTION 6.02. Series 2014B-R Refunding Supplemental Bond Resolution to Govern.** To the extent that the provisions of this Series 2014B-R Refunding Supplemental Bond

Resolution are inconsistent with the provisions of any of the Original Bond Resolutions, the provisions of this Series 2014B-R Refunding Supplemental Bond Resolution shall control.

**SECTION 6.03. Incidental Action.** The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order (i) to effectuate the sale and issuance of the Series 2014B-R Refunding Bonds, (ii) to effect the 2014 Refunding of the Bonds to be Refunded, and , and (iii) to maintain the exclusion from gross income under Section 103 of the Code of the interest on the Series 2014B-R Refunding Bonds and the Bonds to be Refunded (including the preparation and filing of any information reports or other documents with respect to the Series 2014B-R Refunding Bonds or any of the Bonds to be Refunded as may at any time be required under Section 149 of the Code).

**SECTION 6.04. Series 2014B-R Refunding Supplemental Bond Resolution Amendments.** This Series 2014B-R Refunding Supplemental Bond Resolution may be amended and supplemented prior to the issuance of the Series 2014B-R Refunding Bonds by a Certificate of an Authorized Officer contemplated by Section 6.01 hereof without any further compliance with the provisions for adoption of a supplemental resolution under any of the Original Resolutions, as amended and supplemented, including, without limitation, Article XI thereof. All other amendments and supplements hereto shall be effected in accordance with the terms of each of the Bond Resolutions relating to the amendment or supplement to a Supplemental Resolution.

**SECTION 6.05. Continuing Disclosure.** Prior to the issuance of the Series 2014B-R Refunding Bonds, the Trust, pursuant to the sole discretion of an Authorized Officer of the Trust, in consultation with Bond Counsel and the Office of the Attorney General of the State and other appropriate professional advisors to the Trust, shall determine if any Borrower is a material "obligated person" within the meaning and for the purposes of Rule 15c2-12, based upon the following criteria hereby established as the means of satisfying the meaning and purposes of Rule 15c2-12: Borrowers shall be considered to be material "obligated persons" if their remaining Fund Loan repayments in all Coverage Providing Financing Programs (unless defined in this Section 6.05, capitalized terms not defined in this Series 2014B-R Refunding Supplemental Bond Resolution and used in this Section 6.05 shall have the respective meanings ascribed to such terms in the Master Program Trust Agreement), when aggregated with such Borrower's remaining Trust Loan repayments, 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 Trust Loan repayments from all Borrowers.

To the extent any Borrowers that have been determined to be material "obligated persons" within the meaning and for the purposes of Rule 15c2-12 have entered into Service Agreements with Underlying Government Units and if any such Underlying Government Units have entered into Service Agreements with Indirect Underlying Government Units (as such terms are defined in the Trust Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materially secure the remaining Fund Loan repayments and the Trust Loan repayments of any such Borrowers to such extent that such annual and indirect annual charges would in and of themselves exceed the ten percent (10%) test described above, any such Underlying Government

Unit and Indirect Underlying Government Unit shall also be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12.

Any Borrower determined to be a material “obligated person” based upon the criteria set forth herein shall be required to enter into a Series 2014B-R Borrower Continuing Disclosure Agreement with respect to the obligation of such Borrower and any Underlying Government Unit or Indirect Underlying Government Unit, if applicable, with a term as specified therein, by and among such Borrower, the Trust and the Trustee, substantially in the form attached hereto as Exhibit A, with such changes therein as shall be approved by the Trust as evidenced by the execution thereof by an Authorized Officer of the Trust.

The Trust hereby determines that it is not an "obligated person". The Trust hereby determines that each of the Programs is an “obligated person”. Accordingly, the Trust hereby covenants to provide notice of Bond Disclosure Events (as defined in the Series 2014B-R Trust Continuing Disclosure Agreement), if material, with respect to the Series 2014B-R Refunding Bonds to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC or the Municipal Securities Rulemaking Board and the State Information Depository, if any, recognized by the SEC.

Notwithstanding any provision to the contrary in Article XI of any of the Original Bond Resolutions, as amended and supplemented, the Trust may amend or supplement this Section 6.05 to comply with any amendment, supplement, modification, termination, interpretation or other change to Rule 15c2-12.

**SECTION 6.06. TEFRA Hearing.** The Trust hereby acknowledges that on June 26, 2014, at 10:00 a.m., New Jersey time, an Authorized Officer, or another officer of the Trust at the direction of an Authorized Officer, after consultation with Bond Counsel, conducted at the offices of the Trust a hearing with respect to the Series 2014B-R Refunding Bonds, pursuant to the requirements of Section 147(f) of the Code (the “TEFRA Hearing”), in order to satisfy certain requirements of the Code applicable to the Series 2014B-R Refunding Bonds. The Trust hereby ratifies and confirms the conduct of the TEFRA Hearing by such officer of the Trust, and hereby authorizes and directs the Authorized Officers severally to submit the minutes of the TEFRA Hearing to the Governor of the State for approval in accordance with the requirements of the Code.

**SECTION 6.07. Effective Date.** This Series 2014B-R Refunding Supplemental Bond Resolution shall take effect in accordance with paragraphs i and j of Section 4 of Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented, which provisions include, without limitation, the requirement that the Governor and Treasurer of the State approve this Series 2014B-R Refunding Supplemental Bond Resolution.

**EXHIBIT A**

**DEFEASED BOND ESCROW DEPOSIT AGREEMENTS  
AND SERIES 2014B-R CONTINUING DISCLOSURE AGREEMENT**



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**ESCROW DEPOSIT AGREEMENT,  
SERIES 2014B-R (\_\_\_\_ FINANCING PROGRAM)**

**Dated \_\_\_\_\_, 2014**

**between**

**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

**and**

**U.S. BANK NATIONAL ASSOCIATION,  
as Defeased Series \_\_\_\_ Bond Escrow Agent**

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**ESCROW DEPOSIT AGREEMENT,  
SERIES 2014B-R (\_\_\_\_ FINANCING PROGRAM)**

**THIS ESCROW DEPOSIT AGREEMENT, SERIES 2014B-R (\_\_\_\_ FINANCING PROGRAM),** dated \_\_\_\_\_, 2014, by and between NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, a public body corporate and politic with corporate succession, duly created and validly existing under the laws of the State of New Jersey, and U.S. BANK NATIONAL ASSOCIATION, as Defeased Series \_\_\_\_ Bond Escrow Agent;

**WITNESSETH:**

**WHEREAS,** on November \_\_, \_\_\_\_\_, the New Jersey Environmental Infrastructure Trust, a public body corporate and politic with corporate succession (the "Trust"), duly created and validly existing under the laws of the State of New Jersey (the "State"), including, without limitation, 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 be amended and supplemented from time to time (the "Act"), issued its "Environmental Infrastructure Bonds, Series \_\_\_\_ (AMT)" dated \_\_\_\_\_, \_\_\_\_ in the original aggregate principal amount of \$\_\_\_\_\_ (the "Series \_\_\_\_ Bonds") in accordance with the provisions of the "Environmental Infrastructure Bond Resolution, Series \_\_\_\_" of the Trust duly adopted by the Trust on September 20, \_\_\_\_ (the "Original \_\_\_\_ Bond Resolution"), the Act and all other applicable law;

**WHEREAS,** the primary share of the proceeds of the Series \_\_\_\_ Bonds were applied by the Trust to the making of loans (the "Series \_\_\_\_ Trust Loans") to each of the Series \_\_\_\_ Borrowers (as defined in the hereinafter defined Series 2014B-R Refunding Supplemental Bond Resolution) to finance or refinance approximately half of the then eligible costs for the acquisition, construction, renovation and installation of their respective environmental infrastructure system projects (the "Projects"), all in accordance with the New Jersey [Wastewater Treatment] [Environmental Infrastructure] Financing Program, Series \_\_\_\_, created by the State to implement the Federally financed State Revolving Loan Program in the State (the "Program");

**WHEREAS,** the State, acting by and through the New Jersey Department of Environmental Protection (the "DEP"), simultaneously made a companion loan (the "Series \_\_\_\_ Fund Loans") to each of the Series \_\_\_\_ Borrowers for the balance of the then eligible costs of each such Project, with the balance of any such costs funded by the Series \_\_\_\_ Borrowers or by supplemental loans from the Trust and the State in other Programs;

**WHEREAS,** the Series \_\_\_\_ Trust Loans were evidenced by revenue bonds issued by authority Series \_\_\_\_ Borrowers and, if other Series \_\_\_\_ Borrowers received Series \_\_\_\_ Trust Loans, by general obligation bonds issued by such other Series \_\_\_\_ Borrowers (collectively, the "Series \_\_\_\_ Local Unit Trust Loan Bonds") in accordance with all applicable law;

**WHEREAS**, the Series \_\_\_\_ Fund Loans were evidenced by revenue bonds issued by authority Series \_\_\_\_ Borrowers and, if other Series \_\_\_\_ Borrowers received Series \_\_\_\_ Fund Loans, by general obligation bonds issued by such other Series \_\_\_\_ Borrowers (collectively, the "Series \_\_\_\_ Local Unit Fund Loan Bonds", and together with the Series \_\_\_\_ Local Unit Trust Loan Bonds, the "Series \_\_\_\_ Local Unit Bonds") in accordance with all applicable law;

**WHEREAS**, the Series \_\_\_\_ Bonds are principally secured by the Series \_\_\_\_ Trust Loan repayment obligations of the Series \_\_\_\_ Borrowers as evidenced by the Series \_\_\_\_ Local Unit Trust Loan Bonds;

**WHEREAS**, the Trust has determined that net present value savings (the "Gross Savings") can be achieved upon the defeasance and advance refunding of that portion of the Series \_\_\_\_ Bonds defined below as the Series \_\_\_\_ Bonds to be Refunded through the implementation of the hereinafter defined 2014 Refunding of the Series \_\_\_\_ Bonds to be Refunded (net of all costs incurred in connection therewith, the "Savings");

**WHEREAS**, Section 2.04(1) of the Original Series \_\_\_\_ Bond Resolution and the terms of the Series 2014B-R Refunding Supplemental Bond Resolution permit the issuance of a portion of the hereinafter defined Series 2014B-R Refunding Bonds in the aggregate principal amount of \$\_\_\_\_\_ (the "\_\_\_\_ Allocable Portion") as "Additional Bonds" to achieve the 2014 Refunding of the Series \_\_\_\_ Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original Series \_\_\_\_ Bond Resolution;

**WHEREAS**, upon issuance of the Series 2014B-R Refunding Bonds, a portion of the Series \_\_\_\_ Bonds will remain Outstanding;

**WHEREAS**, on \_\_\_\_\_, 2014, the Trust shall issue its "Environmental Infrastructure Refunding Bonds, Series 2014B-R" to be dated \_\_\_\_\_, 2014 in an aggregate principal amount of \$\_\_\_\_\_ (the "Series 2014B-R Refunding Bonds"), the \_\_\_\_ Allocable Portion of which shall be issued pursuant to the terms of (i) the Original Series \_\_\_\_ Bond Resolution, as amended and supplemented by the "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2014B-R (AMT) of the New Jersey Environmental Infrastructure Trust" adopted by the Trust on July 1, 2014, as amended and supplemented by a certificate of an Authorized Officer of the Trust dated \_\_\_\_\_, 2014 (the "Series 2014B-R Refunding Supplemental Bond Resolution," and together with the Original Series \_\_\_\_ Bond Resolution, and as the same may be further amended and supplemented from time to time in accordance with its terms, the "Series \_\_\_\_ Bond Resolution"), (ii) the Act, and (iii) all other applicable law;

**WHEREAS**, upon issuance of the Series 2014B-R Refunding Bonds, the Trust shall establish an escrow fund (the "Defeased Series \_\_\_\_ Bond Escrow Fund") in accordance with the terms of this "Escrow Deposit Agreement, Series 2014B-R (\_\_\_\_ Financing Program)" dated \_\_\_\_\_, 2014 (as the same may be amended and supplemented from time to time in accordance with its terms, the "Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement") by and between the Trust and \_\_\_\_\_, \_\_\_\_\_, New Jersey (the original trustee

under the Original Series \_\_\_\_ Bond Resolution), as Defeased Series \_\_\_\_ Bond Escrow Agent (or any successor thereto, the "Defeased Series \_\_\_\_ Bond Escrow Agent") thereunder;

**WHEREAS**, upon issuance of the Series 2014B-R Refunding Bonds, the Trust will cause moneys to be deposited in the Defeased Series \_\_\_\_ Bond Escrow Fund in an amount that, together with interest earned thereon, will be sufficient to pay (i) all of the interest due and payable on \_\_\_\_\_ (the "Redemption Date") on the Outstanding Series \_\_\_\_ Bonds otherwise maturing on September 1, \_\_\_\_ through and including September 1, \_\_\_\_ (such portion of each such maturity being identified in Schedule A attached hereto) (collectively, the "Series \_\_\_\_ Bonds to be Refunded") and (ii) all of the principal of the Series \_\_\_\_ Bonds to be Refunded on the Redemption Date (collectively, the "2014 Refunding of the Series \_\_\_\_ Bonds to be Refunded");

**WHEREAS**, upon issuance of the Series 2014B-R Refunding Bonds, the Trust will finance the 2014 Refunding of the Series \_\_\_\_ Bonds to be Refunded with deposits into the Defeased Series \_\_\_\_ Bond Escrow Fund from the following sources: (i) from the primary share of the proceeds of the Series 2014B-R Refunding Bonds and (ii) from the immediate transfer of certain moneys remaining on deposit in certain funds and accounts established and existing under the Original Series \_\_\_\_ Bond Resolution by U.S. bank National Association, Morristown, New Jersey (successor to Wachovia Bank, National Association, the original trustee under the Original Series \_\_\_\_ Bond Resolution), as Trustee (or any successor thereto, the "Trustee") thereunder, all as set forth in the Series 2014B-R Refunding Supplemental Bond Resolution and in this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement; and

**WHEREAS**, upon issuance of the Series 2014B-R Refunding Bonds, the Trust, in accordance with the Act, the Series \_\_\_\_ Bond Resolution and a financial plan approved by the State Legislature in accordance with Section 23 of the Act, will (i) issue the Series 2014B-R Refunding Bonds for the purpose of applying the primary share of the \_\_\_\_\_ Allocable Portion thereof toward the 2014 Refunding of the Series \_\_\_\_ Bonds to be Refunded and (ii) apply the balance of the proceeds thereof to the payment to the Series \_\_\_\_\_ Borrowers of their pro-rata portion of the Savings (i.e., 100%) achieved from the 2014 Refunding of the Series \_\_\_\_ Bonds to be Refunded.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

**SECTION 1. Definitions.**

(a) The following capitalized terms set forth herein shall have the respective meanings ascribed to such terms in the recitals hereof:

Act  
Defeased Series \_\_\_\_ Bond Escrow Agent  
Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement  
Defeased Series \_\_\_\_ Bond Escrow Fund  
DEP  
Original \_\_\_\_ Bond Resolution  
Projects  
Program  
Redemption Date  
Rule 15c2-12  
Savings  
SEC  
Securities Exchange Act  
Series \_\_\_\_ Bond Resolution  
Series \_\_\_\_ Bonds  
Series \_\_\_\_ Bonds to be Refunded  
Series \_\_\_\_ Fund Loans  
Series \_\_\_\_ Local Unit Bonds  
Series \_\_\_\_ Local Unit Fund Loan Bonds  
Series \_\_\_\_ Local Unit Trust Loan Bonds  
Series \_\_\_\_ Trust Loans  
Series 2014B-R Continuing Disclosure Agreements  
Series 2014B-R Refunding Bonds  
Series 2014B-R Refunding Supplemental Bond Resolution  
State  
Trust  
Trustee  
\_\_\_\_ Allocable Portion  
2014 Refunding of the Series \_\_\_\_ Bonds to be Refunded

(b) All other capitalized terms set forth herein shall have the respective meanings ascribed to such terms herein.

**SECTION 2. Defeased Series \_\_\_\_ Bond Escrow Fund.**

Pursuant to Section 3.01(A)(\_\_) of the Series 2014B-R Refunding Supplemental Bond Resolution, the Trust has created and established with the Defeased Series \_\_\_\_ Bond Escrow Agent a special and irrevocable escrow fund designated "Defeased Environmental Infrastructure Bonds, Series \_\_\_\_ Escrow Fund (2014)" (the "Defeased Series \_\_\_\_ Bond Escrow Fund") to be held by the Defeased Series \_\_\_\_ Bond Escrow Agent as a trust fund for the benefit of the holders of the Series \_\_\_\_ Bonds to be Refunded. The Defeased Series \_\_\_\_ Bond Escrow Fund shall be

held by the Defeased Series \_\_\_\_ Bond Escrow Agent separate and apart from all other funds of the Trust and the Defeased Series \_\_\_\_ Bond Escrow Agent. For all purposes hereunder and in accordance with Article XII of the Original Series \_\_\_\_ Bond Resolution, as amended and supplemented, the Defeased Series \_\_\_\_ Bond Escrow Agent is acting as agent for the Trustee.

### **SECTION 3. Receipt of Funds.**

(a) The Defeased Series \_\_\_\_ Bond Escrow Agent hereby acknowledges receipt on \_\_\_\_\_, 2014 from the Trustee of \$\_\_\_\_\_, consisting of (i) \$\_\_\_\_\_ on deposit in the Rebate Fund, created and existing under the Series \_\_\_\_ Bond Resolution; and (ii) \$\_\_\_\_\_ on deposit in the Project Fund, created and existing under the Series \_\_\_\_ Bond Resolution (\$\_\_\_\_\_ from the Project Fund being attributable to the \_\_\_\_\_; and \$\_\_\_\_\_ from the Project Fund being attributable to the \_\_\_\_\_);, for immediate transfer to the Defeased Series \_\_\_\_ Bond Escrow Agent for deposit in the Defeased Series \_\_\_\_ Bond Escrow Fund, all as required by Section 3.02(B) of the Series 2014B-R Refunding Supplemental Bond Resolution.

(b) In accordance with the terms of a Certificate of an Authorized Officer of the Trust delivered pursuant to Section 3.02(B) of the Series 2014B-R Refunding Supplemental Bond Resolution, simultaneously with the execution and delivery hereof, the Trustee has received from the purchasers of the Series 2014B-R Refunding Bonds in immediately available funds for immediate transfer to the Defeased Series \_\_\_\_ Bond Escrow Agent for deposit in the Defeased Series \_\_\_\_ Bond Escrow Fund the sum of \$\_\_\_\_\_ as required by such Certificate. The Defeased Series \_\_\_\_ Bond Escrow Agent hereby acknowledges receipt on \_\_\_\_\_, 2014 of such moneys from the Trustee.

(c) Accordingly, on \_\_\_\_\_, 2014, the Defeased Series \_\_\_\_ Bond Escrow Agent hereby acknowledges the collective receipt of \$\_\_\_\_\_ for immediate transfer to or deposit in the Defeased Series \_\_\_\_ Bond Escrow Fund, all as required by a Certificate of an Authorized Officer of the Trust delivered pursuant to Section 3.02(B) of the Series 2014B-R Refunding Supplemental Bond Resolution.

### **SECTION 4. Deposit of Funds and Purchase of Defeasance Securities.**

(a) Immediately upon the Defeased Series \_\_\_\_ Bond Escrow Agent's receipt of the moneys referred to in Sections 3(a), (b) and (c) above in the aggregate amount of \$\_\_\_\_\_, the Defeased Series \_\_\_\_ Bond Escrow Agent shall immediately deposit same in the Defeased Series \_\_\_\_ Bond Escrow Fund.

(b) The Defeased Series \_\_\_\_ Bond Escrow Agent is hereby authorized and directed by the Trust to apply \$\_\_\_\_\_ from the amounts so deposited in the Defeased Series \_\_\_\_ Bond Escrow Fund in accordance with Section 3 above to the purchase of the Investment Securities ("Investment Securities"), identified on the attached Exhibit A hereto (the "Defeasance Securities"), leaving the balance of such deposit in the amount of \$\_\_\_ to remain uninvested in cash until applied in accordance with the terms hereof.

(c) [Reserved.]

(d) The Defeasance Securities are direct, noncallable obligations of the United States of America, and are Investment Securities as described in clause (i) of the definition of "Investment Securities" in Section 1.01 of the Original Series \_\_\_\_ Bond Resolution, as amended and supplemented, and in accordance with the requirements of Article XII of the Original Series \_\_\_\_ Bond Resolution, as amended and supplemented. In reliance on the Verification Report of \_\_\_\_\_, dated \_\_\_\_\_, 2014, attached hereto as Exhibit B, the receipt of which is acknowledged by the parties hereto, the Trust represents that the amounts so deposited in the Defeased Series \_\_\_\_ Bond Escrow Fund, together with income from the investments therefrom to be retained therein pursuant to this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement, will provide sufficient funds to pay (i) all of the interest due from September 1, 2014 through the Redemption Date on the Series \_\_\_\_ Bonds to be Refunded, (ii) all of the principal of the Series \_\_\_\_ Bonds to be Refunded on the Redemption Date, and (iii) the redemption premium, if any applicable to redeeming all of the Series \_\_\_\_ Bonds to be Refunded on the Redemption Date.

#### **SECTION 5. Application of the Defeased Series \_\_\_\_ Bond Escrow Fund.**

(a) The Defeased Series \_\_\_\_ Bond Escrow Agent agrees that the amounts deposited in the Defeased Series \_\_\_\_ Bond Escrow Fund pursuant to Section 4 hereof and the interest income to be earned thereon and any other moneys and investments deposited in the Defeased Series \_\_\_\_ Bond Escrow Fund will be held in trust solely for the benefit of the holders of the Series \_\_\_\_ Bonds to be Refunded. The Trust hereby irrevocably instructs the Defeased Series \_\_\_\_ Bond Escrow Agent to apply the principal of and interest earned on the Defeasance Securities through and including the Redemption Date to the payment of (i) all of the interest due from September 1, 2014 through and including the Redemption Date on all of the Series \_\_\_\_ Bonds to be Refunded, (ii) all of the principal of all of the Series \_\_\_\_ Bonds to be Refunded on the Redemption Date, and (iii) the redemption premium, if any, applicable to redeeming all of the Series \_\_\_\_ Bonds to be Refunded on the Redemption Date.

Notices of defeasance and redemption of the Series \_\_\_\_ Bonds to be Refunded shall be given by the Defeased Series \_\_\_\_ Bond Escrow Agent in accordance with Section 7 hereof. The Defeased Series \_\_\_\_ Bond Escrow Agent shall have no liability for the payment of the principal and redemption premium of and the interest on the Series \_\_\_\_ Bonds to be Refunded pursuant to this Section 5 and the Series \_\_\_\_ Bond Resolution, including, without limitation, any deficiencies in the amount of moneys available therefor, except for the application of moneys and obligations available for such purposes in the Defeased Series \_\_\_\_ Bond Escrow Fund. The Defeased Series \_\_\_\_ Bond Escrow Agent shall not be liable for any loss resulting from any investment made in accordance with the provisions of this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement or from any error in the numerical calculations set forth in the Exhibits attached hereto.

(b) Any portions of the principal of and interest earned on the Defeasance Securities maturing and not needed at that time to make the aforesaid payments on the Series \_\_\_\_ Bonds to be Refunded shall remain in trust for the benefit of the holders of the Series \_\_\_\_ Bonds to be Refunded. Any amounts in excess of such amounts shall remain uninvested until applied as aforesaid. For the purposes of the immediately preceding sentence, "uninvested" shall mean either:

(A) the purchase, at the written direction of the Trust, of additional Investment Securities bearing interest at the rate of 0% per annum, if such Investment Securities are available; (B) held as cash; or (C) such other use of funds as directed by the Trust and as (I) may be authorized by an approving opinion of nationally recognized bond counsel to the effect that such use of funds will not cause the Series 2014B-R Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148(a) (or any successor provision) of the Code and (II) are not needed by the Defeased Series \_\_\_\_ Bond Escrow Agent to fulfill the obligations under Section 5(a) hereof. The Trust shall prepare and deliver to the Defeased Series \_\_\_\_ Bond Escrow Agent or cause the Defeased Series \_\_\_\_ Bond Escrow Agent to prepare and deliver the completed Investment Securities forms necessary to permit the Defeased Series \_\_\_\_ Bond Escrow Agent to make any reinvestments in Investment Securities in the time and manner required by this paragraph (b). All reinvestments must be in Defeasance Securities that mature in amounts at least equal to the purchase price on or before the next debt service payment date, as advised to the Escrow Agent by the Trust.

(c) Investments in mutual funds or unit investment trusts are prohibited for any investments made in accordance with this Section 5 or Section 6 hereof.

#### **SECTION 6. Substitution of Defeasance Securities.**

(a) Except as provided in Sections 4, 5 and 6 hereof, the Defeased Series \_\_\_\_ Bond Escrow Agent shall have no power or duty to invest any funds held under this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Defeasance Securities.

(b) (i) At the written request of the Trust not less than three (3) business days prior to the settlement of any such transaction hereunder and upon compliance with the conditions hereinafter stated, the Defeased Series \_\_\_\_ Bond Escrow Agent shall sell, transfer or otherwise dispose of or request the redemption of the Defeasance Securities and shall substitute for such Defeasance Securities direct obligations of the United States of America ("United States Obligations"), which may or may not permit the redemption thereof at the option of the holder thereof, but not at the option of the issuer of such United States Obligations. The Trust hereby covenants and agrees that it will not request the Defeased Series \_\_\_\_ Bond Escrow Agent to exercise any of the powers described in the preceding sentence in any manner that would cause the Series 2014B-R Refunding Bonds to be arbitrage bonds within the meaning of Section 148(a) (or any successor provision) of the Code and the regulations thereunder in effect on the date of such request and applicable to obligations issued on the issue date of the Series 2014B-R Refunding Bonds. The Defeased Series \_\_\_\_ Bond Escrow Agent shall purchase such substituted United States Obligations with the proceeds derived from the sale, transfer, disposition or redemption of the Defeasance Securities.



(ii) The amounts realized from the disposition of Defeasance Securities and the purchase of substitute United States Obligations together with earnings on such substitute United States Obligations not required by the Defeased Series \_\_\_\_ Bond Escrow Agent to fulfill its obligations under Section 5 hereof shall be transferred to the Trustee for deposit in such funds and accounts under the Series \_\_\_\_ Bond Resolution as the Trust shall direct in writing, and for the application therefrom, at the written direction of the Trust, to the purchase or redemption of the Series 2014B-R Refunding Bonds or, if the Series 2014B-R Refunding Bonds are no longer Outstanding, in such manner as the Trustee may be advised in writing by the Trust for any corporate purpose of the Trust.

(iii) The transactions referred to in the first sentence of Section 6(b)(i) hereof may be effected only if the Trust delivers to the Defeased Series \_\_\_\_ Bond Escrow Agent not less than three (3) business days prior to the settlement of any such transaction hereunder (A) a certificate of an Authorized Officer of the Trust to the effect that the principal amount of the United States Obligations to be substituted, and the interest income to be earned thereon, will be sufficient without further investment to permit the Defeased Series \_\_\_\_ Bond Escrow Agent to fulfill the obligations set forth under Section 5 hereof, (B) an unqualified opinion of nationally recognized bond counsel to the effect that the disposition and substitution or purchase of such securities will not cause the Series 2014B-R Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148(a) (or any successor provision) of the Code, and (C) such additional documents and exhibits revising Exhibits A and B hereto. The Trust hereby covenants that no part of the moneys or funds at any time in the Defeased Series \_\_\_\_ Bond Escrow Fund shall be used directly or indirectly to acquire any investment property, the acquisition of which would cause any Series 2014B-R Refunding Bonds to be "arbitrage bonds" as defined in Section 148(a) (or any successor provision) of the Code as then in effect.

(c) Neither the Trust nor the Defeased Series \_\_\_\_ Bond Escrow Agent shall enter into any forward purchase, float or assignment agreement or any direction letter in connection therewith providing for the investment and reinvestment of funds not then needed for one or more days to make debt service payments on the Series \_\_\_\_ Bonds to be Refunded.

#### **SECTION 7. Receipt, Notice and Publication.**

The Defeased Series \_\_\_\_ Bond Escrow Agent acknowledges receipt of the Series 2014B-R Refunding Supplemental Bond Resolution in which the 2014 Refunding of the Series \_\_\_\_ Bonds to be Refunded is authorized and approved. The Defeased Series \_\_\_\_ Bond Escrow Agent is hereby further irrevocably instructed and agrees also to mail (via registered mail or overnight courier) (i) as soon as practicable after the issuance of the Series 2014B-R Refunding Bonds, in the manner prescribed by Article XII of the Original Series \_\_\_\_ Bond Resolution, a notice to the holders of the Series \_\_\_\_ Bonds to be Refunded, substantially in the form of Exhibit D attached to this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement, that the deposit has been made with the Defeased Series \_\_\_\_ Bond Escrow Agent and that the Series \_\_\_\_ Bonds to be Refunded are deemed to have been paid in accordance with Article XII of the Original Series \_\_\_\_ Bond Resolution and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on the Series \_\_\_\_ Bonds to be

Refunded; and (ii) a notice of redemption, in substantially the form attached hereto as Exhibit E, no later than August 1, 20\_\_, which is at least thirty (30) days but not more than forty-five (45) days prior to the Redemption Date, to all registered owners of the Series \_\_\_\_ Bonds to be Refunded to be redeemed in accordance with the requirements of Article IV and other redemption provisions of the Original Series \_\_\_\_ Bond Resolution, as amended and supplemented. Such instruction satisfies the requirements of Section 2.04(2)(a) of the Original Series \_\_\_\_ Bond Resolution.

**SECTION 8. Transfer of Balance in Defeased Series \_\_\_\_ Bond Escrow Fund after payment of the Series \_\_\_\_ Bonds to be Refunded on the Redemption Date.**

On the Redemption Date, but in any event, notwithstanding any other provision herein to the contrary, not until *AFTER* payment in full of the principal and redemption premium of and the interest on all of the Series \_\_\_\_ Bonds to be Refunded, all remaining moneys and securities in the Defeased Series \_\_\_\_ Bond Escrow Fund shall be transferred by the Defeased Series \_\_\_\_ Bond Escrow Agent to the Trustee for deposit in such funds and accounts under the Series \_\_\_\_ Bond Resolution as the Trust shall direct in writing, and for the application therefrom, at the written direction of the Trust, to the purchase or redemption of the Series 2014B-R Refunding Bonds or, if the Series 2014B-R Refunding Bonds are no longer Outstanding, in such manner as the Trustee may be advised in writing by the Trust for any corporate purpose of the Trust.

**SECTION 9. Interest of holders of Series \_\_\_\_ Bonds to be Refunded in the Defeased Series \_\_\_\_ Bond Escrow Fund.**

The Defeased Series \_\_\_\_ Bond Escrow Fund created hereby shall be irrevocable, and the holders of the Series \_\_\_\_ Bonds to be Refunded shall have an express lien on and security interest in all amounts deposited in the Defeased Series \_\_\_\_ Bond Escrow Fund, including all amounts representing principal of and all amounts representing interest on the Defeasance Securities in the Defeased Series \_\_\_\_ Bond Escrow Fund until used and applied in accordance herewith. The Trust hereby authorizes the Trustee to cause financing and continuation statements to be signed and filed on behalf of the Trust with respect to this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement in such manner and in such places as may be required by law to protect fully the security of the holders of the Series \_\_\_\_ Bonds to be Refunded and the right, title and interest of the Defeased Series \_\_\_\_ Bond Escrow Agent to all amounts deposited in the Defeased Series \_\_\_\_ Bond Escrow Fund and the principal and interest with respect to the Defeasance Securities, and shall take or cause to be taken all action necessary to preserve the aforesaid security interest so long as any of the Series \_\_\_\_ Bonds to be Refunded remain unpaid.

**SECTION 10. Defeased Series \_\_\_\_ Bond Escrow Agent.**

(a) Unless otherwise provided by contract, the Defeased Series \_\_\_\_ Bond Escrow Agent shall be compensated for its reasonable fees, expenses and disbursements, including reasonable legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the Trust for payment, all in accordance with that certain fee letter dated \_\_\_\_\_, 2014. This right to receive compensation notwithstanding, the Defeased Series \_\_\_\_ Bond Escrow Agent hereby acknowledges that it shall not assert a lien or right of set-off on moneys in the Trust Estate (as defined in the Series \_\_\_\_ Bond Resolution) for any such payment, and that it shall not assert a lien or right of set-off on the moneys in the Defeased Series \_\_\_\_ Bond Escrow Fund for any such payment.

(b) The recitals of fact in this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement shall be taken as the statements of the Trust, and the Defeased Series \_\_\_\_ Bond Escrow Agent does not assume any responsibility for the correctness of the same. The Defeased Series \_\_\_\_ Bond Escrow Agent shall not be under any obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any suit in respect of this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement or to advance any of its own moneys unless properly indemnified to its satisfaction. The Defeased Series \_\_\_\_ Bond Escrow Agent shall not be liable in connection with the performance of its respective duties hereunder except for its own gross negligence or willful misconduct.

(c) The Defeased Series \_\_\_\_ Bond Escrow Agent shall be entitled to rely and act upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine, and to have been signed and presented by the proper party or parties, and may consult with counsel, who may not be counsel to the Trust, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith. Whenever the Defeased Series \_\_\_\_ Bond Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer of the Trust (as defined in the Series \_\_\_\_ Bond Resolution), and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement, but in its discretion the Defeased Series \_\_\_\_ Bond Escrow Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Trust to the Defeased Series \_\_\_\_ Bond Escrow Agent shall be sufficiently executed if executed in the name of the Trust by an Authorized Officer thereof.

(d) The Trust, subject to the limitation of its liability under the Series \_\_\_\_ Bond Resolution and applicable New Jersey law, and only out of the Trust Estate (as defined in the Series \_\_\_\_ Bond Resolution), shall indemnify and save harmless the Defeased Series \_\_\_\_ Bond Escrow Agent against any loss, liability or expense, including legal fees, that the Defeased Series \_\_\_\_

Bond Escrow Agent may incur in the exercise and performance of its powers and duties hereunder and that are not due to its own gross negligence or willful misconduct. The indemnification of the Defeased Series \_\_\_\_ Bond Escrow Agent provided for in this Section 10(d) shall survive termination of this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement pursuant to Section 11 hereof and the resignation or removal of the Defeased Series \_\_\_\_ Bond Escrow Agent.

(e) The Defeased Series \_\_\_\_ Bond Escrow Agent may resign at any time and be discharged of its duties hereunder, provided that (i) it has given not less than sixty (60) days written notice to the Trust; (ii) it has mailed a notice of resignation as required by Section 10.07 of the Original Series \_\_\_\_ Bond Resolution, as amended and supplemented; (iii) the Defeased Series \_\_\_\_ Bond Escrow Agent has received an instrument of acceptance executed by the successor to the Defeased Series \_\_\_\_ Bond Escrow Agent hereunder; and (iv) the Defeased Series \_\_\_\_ Bond Escrow Agent has delivered to its successor hereunder all of the escrow documents, Defeasance Securities, moneys and investments held by the Defeased Series \_\_\_\_ Bond Escrow Agent in the Defeased Series \_\_\_\_ Bond Escrow Fund. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (iv) of this paragraph (e). Upon receipt by the Trust of the written notice described in clause (i) above, the Trust shall use its best efforts to obtain a successor to the Defeased Series \_\_\_\_ Bond Escrow Agent hereunder as soon as possible. If no appointment of a successor to the Defeased Series \_\_\_\_ Bond Escrow Agent is made within forty-five (45) days after receipt by the Trust of the aforementioned notice, the Defeased Series \_\_\_\_ Bond Escrow Agent may apply to any court of competent jurisdiction to appoint a successor thereto.

(f) The Defeased Series \_\_\_\_ Bond Escrow Agent may be removed at any time by the Trust by an instrument in writing signed and acknowledged by the Trust. A copy of such instrument shall be delivered by the Trust to the Defeased Series \_\_\_\_ Bond Escrow Agent at least thirty (30) days prior to the effective date of the removal of such Defeased Series \_\_\_\_ Bond Escrow Agent. Upon such effective date, the Defeased Series \_\_\_\_ Bond Escrow Agent shall deliver to the Defeased Series \_\_\_\_ Bond Escrow Agent's successor (at the direction of the Trust) all documents, instruments and moneys listed in clause (iv) of paragraph (e) of Section 10 above.

(g) Notwithstanding any other provision herein to the contrary, the rights, duties and obligations of Defeased Series \_\_\_\_ Bond Escrow Agent set forth herein shall be automatically assumed by any successor organization to \_\_\_\_\_, on the date any such successor organization agrees to assume such rights, duties and obligations and without any further action. Any such successor organization shall notify the other parties hereto of the occurrence of any such succession.

#### **SECTION 11. Termination.**

Except as provided in Section 10(d) hereof, this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement shall terminate when the obligations to make payment of the principal and redemption premium of and the interest on the Series \_\_\_\_ Bonds to be Refunded as set forth in Section 5(a) hereof have been fully satisfied; provided, that moneys held by the Defeased Series \_\_\_\_ Bond Escrow Agent in the Defeased Series \_\_\_\_ Bond Escrow Fund for the payment and discharge of any of the Series \_\_\_\_ Bonds to be Refunded, which moneys remain unclaimed after the

Redemption Date shall be applied in accordance with the escheat laws of the State.

## **SECTION 12. Amendments.**

This Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part by the parties hereto without the written consent of the holders of at least one hundred percent (100%) in aggregate principal amount of the unpaid Series \_\_\_\_ Bonds to be Refunded at the time such election is made; provided, however, that the Trust and the Defeased Series \_\_\_\_ Bond Escrow Agent may, without the consent of or notice to the holders of the unpaid Series \_\_\_\_ Bonds to be Refunded, enter into such agreements supplemental to this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement as shall not adversely affect the rights of such holders, and shall not be inconsistent with the terms and provisions of this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement; or

(b) to grant to or confer upon the Defeased Series \_\_\_\_ Bond Escrow Agent for the benefit of the holders of the Series \_\_\_\_ Bonds to be Refunded any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Defeased Series \_\_\_\_ Bond Escrow Agent.

The Defeased Series \_\_\_\_ Bond Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to the matters provided for in this Section 12, including the extent, if any, to which any change, modification, addition or elimination affects the rights of holders of the Series \_\_\_\_ Bonds to be Refunded or that any instrument executed hereunder complies with the conditions or provisions of this Section 12. Notwithstanding anything in this paragraph to the contrary, no change shall be made to any provision of this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement regarding the investment or other use of the proceeds of the Series 2014B-R Refunding Bonds without an unqualified opinion of nationally recognized bond counsel to the effect that such change and the investment or other use of the proceeds of the Series 2014B-R Refunding Bonds in accordance with such change will not adversely affect the exclusion of interest on the Series 2014B-R Refunding Bonds from the gross income of the holders thereof for Federal income tax purposes provided under Section 103 (or any successor provision) of the Code.

The Trust shall deliver to Moody's Investors Service at the following address (or at such other address as delivered to the Trust in writing) copies of any proposed amendments to this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement prior to its execution and delivery thereof:

Moody's Investors Service  
99 Church Street  
New York, New York 10007  
Attention: Public Finance Rating Desk/Refunded Bonds.

**IN WITNESS WHEREOF**, the parties hereto have each caused this Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written.

[SEAL]

Attest:

**NEW JERSEY ENVIRONMENTAL  
INFRASTRUCTURE TRUST**

\_\_\_\_\_  
**David E. Zimmer**  
Assistant Secretary

By: \_\_\_\_\_  
**Herbert Barrack**  
Vice Chairman

[SEAL]

Attest:

**U.S. BANK NATIONAL ASSOCIATION,**  
as Defeased Series \_\_\_\_  
**Bond Escrow Agent**

\_\_\_\_\_

By: \_\_\_\_\_

[Signature Page]

**SCHEDULE A**

**SERIES \_\_\_\_ BONDS TO BE REFUNDED**

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>

## **EXHIBIT A**

The following Defeasance Securities shall be purchased pursuant to Section 4(b) of the Defeased Series \_\_\_\_ Bond Escrow Deposit Agreement.



**EXHIBIT B**

**EXHIBIT C**

[Reserved]

**EXHIBIT D**

DEFEASANCE NOTICE TO THE HOLDERS OF CERTAIN  
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
“[WASTEWATER TREATMENT] [ENVIRONMENTAL INFRASTRUCTURE] BONDS, SERIES \_\_\_\_\_”

DATED: \_\_\_\_\_, \_\_\_\_

Notice is hereby given to the holders of the outstanding “[Wastewater Treatment] [Environmental Infrastructure] Bonds, Series \_\_\_\_\_” of the New Jersey Environmental Infrastructure Trust (the “Trust”), dated \_\_\_\_\_, \_\_\_\_ (the “Bonds”), more particularly described below as the “Refunded Bonds”, that there have been deposited with \_\_\_\_\_, as Defeased Series \_\_\_\_ Bond Escrow Agent (the “Escrow Agent”) moneys and investment securities (consisting of direct obligations of the United States of America) the principal of and interest on which, when due, will provide moneys which, together with the moneys on deposit with the Escrow Agent at the same time, will be sufficient to pay the principal of and interest and redemption premium on all of the Refunded Bonds maturing on September 1, 20\_\_ through and including September 1, 20\_\_ (CUSIP Nos. \_\_\_\_\_) on September 1, 20\_\_, the redemption date thereof. The Refunded Bonds are deemed to have been paid in accordance with Article XII of that certain “[Wastewater Treatment] [Environmental Infrastructure] Bond Resolution, Series \_\_\_\_\_” of the Trust duly adopted by the Trust on September \_\_, \_\_\_\_, as amended and supplemented by that certain “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2014B-R (\_\_\_\_ Financing Program) of the New Jersey Environmental Infrastructure Trust” of the Trust duly adopted by the Trust on July 12, 2014, as further amended and supplemented by a certificate of an authorized officer of the Trust dated \_\_\_\_\_, 2014.

No representation is made as to the correctness or accuracy of the CUSIP Numbers, either as printed on the Bonds or as contained in this Notice of Redemption. Reliance may only be placed on the identification numbers printed herein or on the Bonds.

New Jersey Environmental Infrastructure Trust  
by \_\_\_\_\_,  
as Defeased Series \_\_\_\_ Bond Escrow Agent

**EXHIBIT E**

NOTICE OF REDEMPTION

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
"[WASTEWATER TREATMENT] [ENVIRONMENTAL INFRASTRUCTURE] BONDS, SERIES \_\_\_\_"  
DATED \_\_\_\_\_, \_\_\_\_

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>

NOTICE IS HEREBY GIVEN THAT, pursuant to the provisions of that certain supplemental bond resolution adopted by the New Jersey Environmental Infrastructure Trust (the "Trust") on July 12, 2014, as amended and supplemented by a certificate of an authorized officer of the Trust dated \_\_\_\_\_, 2014, and entitled "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2014B-R of the New Jersey Environmental Infrastructure Trust", all of the above-referenced bonds (the "Bonds") have been called for redemption on September 1, 20\_\_ (the "Redemption Date") at a redemption price of \_\_% of the principal amount thereof for the Bonds maturing on September 1, 20\_\_ through and including September 1, 20\_\_, plus interest accrued to the Redemption Date. You are hereby notified that the Bonds should be presented for redemption at the principal corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, New Jersey, Attn: Corporate Trust Department, on or immediately before the Redemption Date. On said date, the Bonds will become due and payable at the respective redemption prices stated above, plus interest accrued to the Redemption Date, and interest on all such Bonds shall cease to accrue from and after such Redemption Date.

No representation is made as to the correctness or accuracy of the CUSIP Numbers, either as printed on the Bonds or as contained in this Notice of Redemption. Reliance may only be placed on the identification numbers printed herein or on the Bonds.

New Jersey Environmental Infrastructure Trust  
by \_\_\_\_\_,  
as Defeased Series \_\_\_\_ Bond Escrow Agent

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**TRUST CONTINUING DISCLOSURE AGREEMENT**

**BY AND AMONG**

**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST,**

**U.S. BANK NATIONAL ASSOCIATION,  
as Series 2014B-R Refunding Fiduciary**

**AND**

**U.S. BANK TRUST NATIONAL ASSOCIATION, A NATIONAL BANKING  
ASSOCIATION  
as Master Program Trustee**

**Dated: August \_\_, 2014**

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**Entered into with respect to the New Jersey Environmental  
Infrastructure Trust's Environmental Infrastructure  
Refunding Bonds, Series 2014B-R (AMT), dated August 23,  
2014**

## TRUST CONTINUING DISCLOSURE AGREEMENT

THIS **TRUST CONTINUING DISCLOSURE AGREEMENT** (this "Agreement"), made and entered into as of August \_\_, 2014, by and among NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST (the "Trust"), a public body corporate and politic with corporate succession duly created and validly existing under the laws of the State of New Jersey (the "State"), U.S. BANK NATIONAL ASSOCIATION, as Series 2014B-R Refunding Fiduciary, a national banking association duly organized and validly existing under the laws of the United States and duly authorized to act in the State (the "Refunding Fiduciary"), and U.S. BANK TRUST NATIONAL ASSOCIATION, as Master Program Trustee, a national banking association and trust company duly organized and validly existing under the laws of the United States and duly authorized to act in the State (the "Master Program Trustee").

### WITNESSETH THAT:

**WHEREAS**, on November 10, 1994, the New Jersey Environmental Infrastructure Trust, a public body corporate and politic with corporate succession (the "Trust"), duly created and validly existing under the laws of the State of New Jersey (the "State"), including, without limitation, 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 be amended and supplemented from time to time (the "Act"), issued its "Environmental Infrastructure Bonds, Series 2004B (AMT)", dated November 4, 2004, in the original aggregate principal amount of \$18,175,000 (the "Series 2004B Bonds"), in accordance with the provisions of the "Environmental Infrastructure Bond Resolution, Series 2004B" of the Trust, duly adopted by the Trust on September 20, 2004 (the "Original 2004B Bond Resolution"), the Act and all other applicable law;

**WHEREAS**, on November 10, 2005, the Trust issued its "Environmental Infrastructure Bonds, Series 2005B (AMT)", dated November 10, 2005, in the original aggregate principal amount of \$3,045,000 (the "Series 2005B Bonds"), in accordance with the provisions of the "Environmental Infrastructure Bond Resolution, Series 2005B" of the Trust, duly adopted by the Trust on September 20, 2005 (the "Original Series 2005B Bond Resolution"; the Original 2004B Bond Resolution and the Original 2005B Bond Resolution shall be referred to collectively herein as the "Original Bond Resolutions"), the Act and all other applicable law;

**WHEREAS**, the primary share of the proceeds of the Series 2004B Bonds were applied by the Trust to the making of loans (the "Series 2004B Trust Loans") to each of the Series 2004B Borrowers (as defined in the hereinafter defined Series 2014B-R Refunding Supplemental Bond Resolution) to finance or refinance approximately 25% to 50% of the then eligible costs for the acquisition, construction, renovation and installation of their respective environmental infrastructure system projects (the "Series 2004B Projects"), all in accordance with the New Jersey Environmental Infrastructure Financing Program, Series 2004B, created by the State to implement the Federally financed State Revolving Loan Program in the State (the "Series 2004B Program");

**WHEREAS**, the primary share of the proceeds of the Series 2005B Bonds were applied by the Trust to the making of loans (the "Series 2005B Trust Loans"; the Series 2004B Trust Loans and the Series 2005B Trust Loans shall be referred to collectively herein as the "Trust Loans") to each of the Series 2005B Borrowers (as defined in the Series 2014B-R Refunding Supplemental Bond Resolution) to finance or refinance approximately 25% to 50% of the then eligible costs for the acquisition, construction, renovation and installation of their respective environmental infrastructure system projects (the "Series 2005B Projects"; the Series 2004B Projects and the Series 2005B Projects shall be referred to collectively herein as the "Projects"), all in accordance with the New Jersey Environmental Infrastructure Financing Program, Series 2005B, created by the State to implement the Federally financed State Revolving Loan Program in the State (the "Series 2005B Program"; the Series 2004B Program and the Series 2005B Program shall be referred to collectively herein as the "Program");

**WHEREAS**, the State, acting by and through the New Jersey Department of Environmental Protection (the "DEP"), simultaneously made a companion loan (the "Series 2004B Fund Loans") to each of the Series 2004B Borrowers for approximately 50% to 75% of the then eligible costs of each such Series 2004B Project, with the balance of any such costs funded (i) by the respective Borrower or (ii) by supplemental loans from the Trust and the State in other annual New Jersey Environmental Infrastructure Financing Programs;

**WHEREAS**, the State, acting by and through the DEP, simultaneously made a companion loan (the "Series 2005B Fund Loans" the Series 2004B Fund Loans and the Series 2005B Fund Loans shall be referred to collectively herein as the "Fund Loans") to each of the Series 2005B Borrowers for approximately 50% to 75% of the then eligible costs of each such Series 2005B Project, with the balance of any such costs funded (i) by the respective Borrower or (ii) by supplemental loans from the Trust and the State in other annual New Jersey Environmental Infrastructure Financing Programs;

**WHEREAS**, the repayment obligation with respect to the Series 2004B Trust Loans was evidenced by, as the case may be, revenue bonds issued by authority Series 2004B Borrowers and general obligation bonds issued by municipal Series 2004B Borrowers (collectively, the "Series 2004B Borrower Trust Loan Bonds") in accordance with all applicable law;

**WHEREAS**, the repayment obligation with respect to the Series 2005B Trust Loans was evidenced by, as the case may be, revenue bonds issued by authority Series 2005B Borrowers and general obligation bonds issued by municipal Series 2005B Borrowers (collectively, the "Series 2005B Borrower Trust Loan Bonds"; the Series 2004B Borrower Trust Loan Bonds and the Series 2005B Borrower Trust Loan Bonds shall be referred to collectively herein as the "Borrower Trust Loan Bonds") in accordance with all applicable law;

**WHEREAS**, the repayment obligation with respect to the Series 2004B Fund Loans was evidenced by, as the case may be, revenue bonds issued by authority Series 2004B Borrowers and general obligation bonds issued by municipal Series 2004B Borrowers (collectively, the "Series 2004B Borrower Fund Loan Bonds"; the Series 2004B Borrower Trust Loan Bonds and the Series 2004B Borrower Fund Loan Bonds shall be referred to collectively herein as the "Series 2004B Borrower Bonds") in accordance with all applicable law;

**WHEREAS**, the repayment obligation with respect to the Series 2005B Fund Loans was evidenced by, as the case may be, revenue bonds issued by authority Series 2005B Borrowers and general obligation bonds issued by municipal Series 2005B Borrowers (collectively, the “Series 2005B Borrower Fund Loan Bonds”; the Series 2005B Borrower Trust Loan Bonds and the Series 2005B Borrower Fund Loan Bonds shall be referred to collectively herein as the “Series 2005B Borrower Bonds”; the Series 2004B Borrower Bonds and the Series 2005B Borrower Bonds shall be referred to collectively herein as the “Borrower Bonds”) in accordance with all applicable law;

**WHEREAS**, the Series 2004B Bonds are principally secured by the Series 2004B Trust Loan repayment obligations of the Series 2004B Borrowers as evidenced by the Series 2004B Borrower Trust Loan Bonds;

**WHEREAS**, the Series 2005B Bonds are principally secured by the Series 2005B Trust Loan repayment obligations of the Series 2005B Borrowers as evidenced by the Series 2005B Borrower Trust Loan Bonds;

**WHEREAS**, payment of the principal of and interest on the Series 2004B Bonds and the Series 2005B Bonds is also secured pursuant to the terms of that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the Trust, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to Wachovia Bank, National Association), in several capacities thereunder, as supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2001, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the Trust, as the same may be amended and supplemented from time to time in accordance with its terms (as amended, the “Master Program Trust Agreement”);

**WHEREAS**, the Trust has determined that net present value savings (the “2004B Gross Savings”) can be achieved upon the defeasance and advance refunding of a portion of the Series 2004B Bonds, through the implementation of the hereinafter defined 2014 Refunding of the Series 2004B Bonds to be Refunded (net of all costs incurred in connection therewith, the “2004B Savings”);

**WHEREAS**, the Trust has determined that net present value savings (the “2005B Gross Savings”) can be achieved upon the defeasance and advance refunding of a portion of the Series 2005B Bonds, through the implementation of the hereinafter defined 2014 Refunding of the Series 2005B Bonds to be Refunded (net of all costs incurred in connection therewith, the “2005B Savings”; the 2004B Savings and the 2005B Savings shall be referred to collectively herein as the “Savings”);



**WHEREAS**, Section 2.04(1) of the Original 2004B Bond Resolution and the terms of the Series 2014B-R Refunding Supplemental Bond Resolution authorize the issuance of a portion of the hereinafter defined Series 2014B-R Refunding Bonds, consisting of such portions of such maturities of the Series 2014B-R Refunding Bonds as are set forth in Section 2.03(C)(i) hereof (the “2004B Allocable Portion”), as “Refunding Bonds” to achieve the 2014 Refunding of the Series 2004B Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original 2004B Bond Resolution;

**WHEREAS**, Section 2.04(1) of the Original 2005B Bond Resolution and the terms of the Series 2014B-R Refunding Supplemental Bond Resolution authorize the issuance of a portion of the hereinafter defined Series 2014B-R Refunding Bonds, consisting of such portions of such maturities of the Series 2014B-R Refunding Bonds as are set forth in Section 2.03(C)(iii) hereof (the “2005B Allocable Portion”), as “Refunding Bonds” to achieve the 2014 Refunding of the Series 2005B Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original 2005B Bond Resolution;

**WHEREAS**, payment of the principal of and interest on the Series 2014B-R Refunding Bonds when due will continue to be secured pursuant to the terms of the Master Program Trust Agreement;

**WHEREAS**, on August \_\_, 2014, the Trust shall issue its “Environmental Infrastructure Refunding Bonds, Series 2014B-R (AMT)”, to be dated the date of issuance thereof, in the aggregate principal amount of \$\_\_\_\_\_ (the “Series 2014B-R Refunding Bonds”), all pursuant to the terms of: (i)(1) the Original 2004B Bond Resolution and (2) the Original 2005B Bond Resolution, each as amended and supplemented by the “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2014B-R (AMT) of the New Jersey Environmental Infrastructure Trust”, adopted by the Trust on July 1, 2014, as amended and supplemented by a certificate of an Authorized Officer of the Trust, dated the date of issuance of the Series 2014B-R Refunding Bonds (as amended and supplemented, the “Series 2014B-R Refunding Supplemental Bond Resolution”); (ii) the Act; and (iii) all other applicable law;

**WHEREAS**, the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified as of the date hereof at 15 U.S.C. 77 *et seq.*) (the "Securities Exchange Act"), has adopted amendments effective July 3, 1995 to its Rule 15c2-12 (codified at 17 C.F.R. §240.15c2-12), as the same may be further amended, supplemented and officially interpreted from time to time or any successor provision thereto ("Rule 15c2-12"), generally prohibiting a broker, dealer or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and operating data and notices of the occurrence of certain material events to various information repositories;

**WHEREAS**, in order to comply with Rule 15c2-12, the Trust has determined that (i) the Program and (ii) certain Borrowers, and, if applicable, certain related local government units, are

material "obligated persons" in connection with the issuance of the Bonds, as the term "obligated person" is defined in Rule 15c2-12, which determination has been made pursuant to objective criteria (the "Objective Criteria") set forth in the Resolution, the Notice of Sale dated August 6, 2014 (the "Notice of Sale"), the Preliminary Official Statement dated August 6, 2014 (the "Preliminary Official Statement") and the Final Official Statement dated August 14, 2014 (the "Final Official Statement"), which Objective Criteria, as set forth in the Final Official Statement, are attached hereto as **Exhibit A** and made a part hereof;

**WHEREAS**, each such Borrower has entered into a separate continuing disclosure agreement with the Trust and the Refunding Fiduciary (or any successor thereto) for the purpose of satisfying Rule 15c2-12, and pursuant to the terms of such agreement each such Borrower is required to cause the delivery of the information described therein to the municipal securities marketplace for the period of time specified therein;

**WHEREAS**, the Trust is not an "obligated person" in connection with the Bonds, as the term "obligated person" is defined in Rule 15c2-12;

**WHEREAS**, simultaneously with the issuance of the Bonds, the Trust shall enter into this Agreement with the Refunding Fiduciary and the Master Program Trustee for the purpose of satisfying Rule 15c2-12;

**WHEREAS**, on August \_\_, 2014, the Trust accepted the bid of \_\_\_\_\_ on behalf of itself and each of the original underwriters for the Bonds (each a "Participating Underwriter"), for the purchase of the Bonds; and

**WHEREAS**, the execution and delivery of this Agreement have been duly authorized by the Trust, the Refunding Fiduciary and the Master Program Trustee, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and for the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner.

**NOW, THEREFORE**, for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the Trust, the Refunding Fiduciary and the Master Program Trustee, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:

## ARTICLE 1

### DEFINITIONS

**Section 1.1. Terms Defined in Recitals.** All terms defined in the preambles hereof shall have the respective meanings set forth therein for all purposes of this Agreement.

**Section 1.2. Additional Definitions.** The following additional terms shall have the meanings specified below:

"Annual Report" means Financial Statements and Operating Data provided at least annually with respect to the Trust.

"Auditor" means an independent certified public accountant, a registered municipal accountant or such other accountant as shall be permitted or required under State law in accordance with GAAS.

"Bondholder" or "Holder" or any similar term, when used with reference to the Bonds, means any person who shall be the registered owner of any outstanding Bonds, including holders of beneficial interests in the Bonds.

"Bond Disclosure Event" means any event described in Section 2.1(c) of this Agreement.

"Bond Disclosure Event Notice" means the notice to each National Repository or the MSRB and the State Depository, if any, as provided in Section 2.4(c) of this Agreement.

"Dissemination Agent" means an entity acting in its capacity as Dissemination Agent under this Agreement or any successor Dissemination Agent designated in writing by the Trust that has filed a written acceptance of such designation.

"EMMA" means Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

"Financial Statements" means the audited financial statements for each Fiscal Year, if and when available, relating to the Bonds and the Master Program Trust Account. Currently, no audited financial statements are completed with respect to the Bonds or the Master Program Trust Account.

"Fiscal Year" means the fiscal year of the Trust as determined by the Trust from time to time pursuant to State law. As of the date of this Agreement, the Fiscal Year of the Trust begins on July 1 of each calendar year and closes on June 30 of the immediately succeeding calendar year.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States of America, consistently applied, as modified by governmental accounting

standards and mandated State statutory principles applicable to the Trust as may be in effect from time to time.

"GAAS" means generally accepted auditing standards as in effect from time to time in the United States of America, consistently applied, as modified by governmental auditing standards and mandated State statutory principles applicable to the Trust as may be in effect from time to time.

"MSRB" means the Municipal Securities Rulemaking Board. The address of the MSRB as of the date of this Agreement is 1900 Duke Street, Suite 600, Alexandria, VA 22314..

"National Repository" means a "nationally recognized municipal securities information repository" within the meaning of Rule 15c2-12. As of the date of this Agreement, the National Repository designated by the SEC in accordance with Rule 15c2-12 is EMMA.

"Obligated Person" means, collectively, (i) the Program and (ii) all Borrowers (and, if applicable, related local government units) determined by the Trust to be material "obligated persons" in connection with the issuance of the Bonds, as the term "obligated person" is defined in Rule 15c2-12, which determination has been made pursuant to the Objective Criteria.

"Operating Data" means, generally, certain financial and statistical information of the Trust relating to the Bonds and the Master Program Trust Account, substantially in the form included as Appendix D to the Final Official Statement.

"Prescribed Form" means such electronic format accompanied by such identifying information as shall be prescribed by the MSRB and which shall be in effect on the date of filing of such information.

"Repository" means each National Repository and each State Depository, if any.

"State Depository" means any public or private repository or entity designated by the State as a state information depository for purposes of Rule 15c2-12. As of the date of this Agreement, there is no State Depository.

**Section 1.3. Interpretation.** Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms as used in this Agreement refer to this Agreement as a whole unless otherwise expressly stated. The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

## ARTICLE 2

### CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

**Section 2.1. Continuing Disclosure Covenants of Trust.** The Trust agrees that it will provide or, if the Trust has appointed or engaged a Dissemination Agent, shall cause the Dissemination Agent to provide:

(a) Not later than two hundred twenty-five (225) days after the end of each Fiscal Year, commencing with the first Fiscal Year of the Trust ending after January 1, 2014 (which ended on June 30, 2014), an Annual Report to each Repository, in Prescribed Form.

(b) Not later than fifteen (15) days prior to the date with respect to each Fiscal Year specified in Section 2.1(a) hereof, a copy of the Annual Report, complete to the extent required in Section 2.1(a) hereof, to the Refunding Fiduciary and the Dissemination Agent (if the Trust has appointed or engaged a Dissemination Agent).

(c) In a timely manner, not in excess of ten business days after the occurrence of the applicable event, to each National Repository or to the MSRB and the State Depository, if any, notice, in Prescribed Form, of any of the following events with respect to the Bonds (each a "Bond Disclosure Event"), with a copy of such notice to the Refunding Fiduciary (for informational purposes only):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to the rights of Bondholders, if material;
- (viii) Bond calls (other than regularly scheduled mandatory sinking fund redemptions for which notice of redemption has been given to the

Bondholders as required pursuant to the provisions of the Resolution), if material, and tender offers;

- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xiii) Bankruptcy, insolvency, receivership or similar event of any Obligated Person;
- (xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor to the Refunding Fiduciary or the Master Program Trustee, appointment of an additional Refunding Fiduciary or Master Program Trustee, or the change of name of the Refunding Fiduciary or the Master Program Trustee, if material.

**Section 2.2. Reserved.**

**Section 2.3. Form of Annual Report.** (a) The Annual Report may be submitted by the Trust, or on behalf thereof, as a single document or as separate documents comprising a package, provided that each document shall be in Prescribed Form.

(b) Any or all of the items that must be included in the Annual Report may be incorporated by reference from other documents, including official statements delivered in connection with other financings issued on behalf of the Trust that have been submitted to each of the Repositories or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB (including, without limitation, EMMA). The Trust shall clearly identify each such other document so incorporated by reference.

(c) The Annual Report for any Fiscal Year containing any modified operating data or financial information (as contemplated by Sections 4.9 and 4.10 hereof) for such Fiscal Year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such Fiscal Year.

**Section 2.4. Responsibilities and Duties of Trust, Dissemination Agent and Refunding Fiduciary.** (a) If fifteen (15) days prior to the date specified in Section 2.1(a) hereof

the Refunding Fiduciary has not received a copy of the Annual Report, complete to the extent required in Section 2.1(a) hereof, the Refunding Fiduciary shall contact the Trust to provide notice of the Trust's obligations pursuant to Sections 2.1(a), 2.1(b) and 2.4(d)(ii) hereof.

(b) If the Refunding Fiduciary, by the date specified in Section 2.1(a) hereof, has not received a written report from the Trust, as required by Section 2.4(d)(ii) hereof, indicating that an Annual Report, complete to the extent required in Section 2.1(a) hereof, has been provided to the Repositories by the date specified in Section 2.1(a) hereof, the Refunding Fiduciary shall send a notice to each National Repository or to the MSRB and the State Depository, if any, in substantially the form attached hereto as **Exhibit B** together with any standard forms or cover sheets that may be required by the MSRB as of the date thereof, with a copy thereof to the Trust.

(c) If the Trust has determined that the occurrence of a Bond Disclosure Event would be material, the Trust shall file promptly a notice of such occurrence with each National Repository or with the MSRB and the State Depository, if any (the "Bond Disclosure Event Notice"), in a form determined by the Trust together with any standard forms or cover sheets that may be required by the MSRB as of the date thereof; *provided*, that the Bond Disclosure Event Notice pertaining to the occurrence of a Bond Disclosure Event described in Section 2.1(c)(viii) (Bond calls) or 2.1(c)(ix) (defeasances) need not be given under this Section 2.4(c) any earlier than the time when the notice (if any) of such Bond Disclosure Event shall be given to Holders of affected Bonds as provided in Sections 4.05 and 12.01 of the Resolution, respectively. The obligations of the Trust to provide the notices required under this Agreement are in addition to, and not in substitution of, any of the obligations (if any) of the Refunding Fiduciary to provide notices of events of default to Bondholders under Article IX of the Resolution. The Trust shall file a copy of each Bond Disclosure Event Notice with the Refunding Fiduciary (for informational purposes only).

(d) The Trust shall or, if the Trust has appointed or engaged a Dissemination Agent, shall cause the Dissemination Agent to:

(i) determine each year, prior to the date for providing the Annual Report, the name and address of each National Repository and each State Depository, if any; and

(ii) by the date specified in Section 2.1(a) hereof, provide a written report to the Refunding Fiduciary (and, if a Dissemination Agent has been appointed, to the Trust), upon which said parties may rely, certifying that the Annual Report, complete to the extent required in Section 2.1(a) hereof, has been provided pursuant to this Agreement, stating the date it was provided and listing all of the Repositories to which it was provided.

**Section 2.5. Appointment, Removal and Resignation of Dissemination Agent.** (a) The Trust may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and shall provide notice of such appointment to the Refunding Fiduciary. Thereafter, the Trust may discharge any such Dissemination Agent and satisfy its obligations under this Agreement without the assistance of a Dissemination Agent, or the Trust may discharge a Dissemination Agent and appoint a successor Dissemination Agent,

such discharge to be effective upon the date of the appointment of a successor Dissemination Agent. The Trust shall provide notice of the discharge of a Dissemination Agent to the Refunding Fiduciary, and shall further indicate either the decision of the Trust to satisfy its obligations under this Agreement without the assistance of a Dissemination Agent or the identity of the new Dissemination Agent.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days' written notice to the Trust. Such resignation shall take effect on the date specified in such notice.

**Section 2.6. Responsibilities and Duties of Master Program Trustee.** The Master Program Trustee, for the purposes of satisfying the requirements of Rule 15c2-12, hereby consents to the use by the Trust and the Auditor, as the case may be, of the monthly summary report of all transactions implemented within the Master Program Trust Account (the submission of such monthly report being required pursuant to the terms and provisions of Section 3 of the Master Program Trust Agreement) (the "Summary Report") in the following manner: (i) the Summary Report may be provided by the Trust to the Auditor; and (ii) the Trust and the Auditor may rely upon the Summary Report in determining the balance in the Master Program Trust Account.

**Section 2.7. Immunities and Liabilities of Refunding Fiduciary.** Article X of the Resolution, as it relates to the immunities and liabilities of the Refunding Fiduciary, is hereby made applicable to the Refunding Fiduciary's responsibilities under this Agreement.



## ARTICLE 3

### REMEDIES

**Section 3.1. Remedies.** (a) The Refunding Fiduciary may, in reliance upon the advice of counsel (and at the request of the Holders of at least twenty-five percent (25%) in aggregate principal amount of the Bonds outstanding, after the provision of indemnity in accordance with Section 10.05 of the Resolution, shall), or any Bondholder may, for the equal benefit and protection of all Bondholders similarly situated, take whatever action at law or in equity against the Trust and any of its respective officers, agents and employees necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Trust under this Agreement, and may compel the Trust or any of its respective officers, agents and employees (except for the Dissemination Agent with respect to the obligations, agreements and covenants of the Trust) to perform and carry out its duties under this Agreement; *provided*, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances; and *provided, further*, that any Bondholder, acting for the equal benefit and protection of all Bondholders similarly situated, may pursue specific performance only with respect to the failure to file the Annual Reports and Bond Disclosure Event Notices required by this Agreement, and may not pursue specific performance in challenging the adequacy of Annual Reports that have been filed pursuant to the provisions hereof.

(b) In case the Refunding Fiduciary or any Bondholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Refunding Fiduciary or any Bondholder, as the case may be, then and in every such case the Trust, the Refunding Fiduciary and any Bondholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Trust, the Refunding Fiduciary and any Bondholder shall continue as though no such proceeding had been taken.

(c) A failure by the Trust to perform its respective obligations under this Agreement shall not be deemed an event of default under either the Resolution or any Trust Loan Agreement, as the case may be, and the sole remedy under this Agreement in the event of any failure by the Trust to comply with this Agreement shall be as set forth in Section 3.1(a) of this Agreement.

## ARTICLE 4

### MISCELLANEOUS

**Section 4.1. Purposes of Agreement.** This Agreement is being executed and delivered by the Trust, the Refunding Fiduciary and the Master Program Trustee for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with clause (b)(5) of Rule 15c2-12.

**Section 4.2. Trust and Bondholders.** Each Bondholder is hereby recognized as being a third-party beneficiary hereunder, and each may enforce, for the equal benefit and protection of all Bondholders similarly situated, any such right, remedy or claim conferred, given or granted hereunder in favor of the Refunding Fiduciary, to the extent permitted in Section 3.1(a) hereof.

**Section 4.3. Obligations of Trust Hereunder; Indemnified Parties.** The Trust agrees to indemnify and hold harmless the Refunding Fiduciary and the Master Program Trustee, and any member, officer, official, employee, counsel, consultant and agent of the Refunding Fiduciary and the Master Program Trustee (collectively, the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by the Trust's failure, or a Dissemination Agent's failure, to perform or observe any of the Trust's obligations, agreements or covenants under the terms of this Agreement, but only if and insofar as such losses, claims, damages, liabilities or expenses are caused directly or indirectly by any such failure of the Trust or the Dissemination Agent to perform. In case any action shall be brought against the Indemnified Parties based upon this Agreement and in respect of which indemnity may be sought against the Trust, the Indemnified Parties shall promptly notify the Trust in writing. Upon receipt of such notification, the Trust shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action and the right to negotiate and settle any such action on behalf of such party to the extent allowed by law. Any Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless the employment of such counsel has been specifically authorized by the Trust or unless by reason of conflict of interest (determined by the written opinion of counsel to any such party) it is advisable for such party to be represented by separate counsel to be retained by the Trust, in which case the fees and expenses of such separate counsel shall be borne by the Trust. The Trust shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the Trust or if there be a final judgment for the plaintiff in any such action with or without written consent, the Trust agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this Section 4.3 shall require or obligate the Trust to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any negligence, recklessness or intentional misconduct of the Indemnified Parties in connection with the Trust's performance of its obligations, agreements and covenants under this Agreement.

**Section 4.4. Additional Information.** Nothing in this Agreement shall be deemed to prevent the Trust (a) from disseminating any other information using the means of dissemination set forth in this Agreement or any other means of communication, or (b) from including, in addition to that which is required by this Agreement, any other information in any Annual Report or any Bond Disclosure Event Notice. If the Trust chooses to include any information in any Annual Report or any Bond Disclosure Event Notice in addition to that which is specifically required by this Agreement, the Trust shall not have any obligation under this Agreement to update such information or to include it in any future Annual Report or Bond Disclosure Event Notice, as the case may be.

**Section 4.5. Notices.** All notices required to be given or authorized to be given by each party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail (as well as by facsimile, in the case of the Refunding Fiduciary) addressed to, in the case of the Trust, P.O. Box 440, Trenton, New Jersey 08625 (Attention: Executive Director); in the case of the Refunding Fiduciary, its corporate trust department at 21 South Street, Third Floor, Morristown, New Jersey 07960 (facsimile: 973-682-4540); and in the case of the Master Program Trustee, its corporate trust department at 100 Wall Street, Suite 1600, New York, New York 10005.

**Section 4.6. Assignments.** This Agreement may not be assigned by any party without the consent of the others and, as a condition to any such assignment, only upon the assumption in writing of all of the obligations imposed upon such party by this Agreement.

**Section 4.7. Severability.** If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

**Section 4.8. Execution in Counterparts.** This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Each party hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

**Section 4.9. Amendments, Changes and Modifications.** (a) Except as otherwise provided in this Agreement, subsequent to the initial issuance of the Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Resolution), this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the parties hereto.

(b) Without the consent of any Bondholders, the Trust, the Refunding Fiduciary and the Master Program Trustee at any time and from time to time may enter into any amendments or modifications to this Agreement for any of the following purposes:

(i) to add to the covenants and agreements of the Trust hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the Trust by this Agreement;

(ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices or legal requirements followed by or applicable to the Trust or the Program, to reflect changes in the identity, nature or status of the Trust or the Program or in the business, structure or operations of the Trust or the Program, or to reflect any mergers, consolidations, acquisitions or dispositions made by or affecting the Trust or the Program; *provided*, that any such modification shall not be in contravention of Rule 15c2-12 as then in effect at the time of such modification; or

(iii) to cure any ambiguity herein, to correct or supplement any provision hereof that may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Agreement, any of which, in each case, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12 as well as any changes in circumstances;

*provided*, that prior to approving any such amendment or modification, the Refunding Fiduciary, in reliance upon an opinion of Bond Counsel (as defined in the Resolution) to the Trust, determines that such amendment or modification does not adversely affect the interests of the Bondholders in any material respect.

(c) Upon entering into any amendment or modification required or permitted by this Agreement that materially affects the interests of the Bondholders, the Trust shall deliver to each of the Repositories written notice of any such amendment or modification.

(d) The Trust, the Refunding Fiduciary and the Master Program Trustee shall be entitled to rely exclusively upon an opinion of Bond Counsel to the Trust to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.9.

**Section 4.10. Amendments Required by Rule 15c2-12.** The Trust, the Refunding Fiduciary and the Master Program Trustee each recognize that the provisions of this Agreement are intended to enable compliance with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof or the promulgation of a successor rule, statute or regulation thereto, a change in this Agreement shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery of an opinion of Bond Counsel to the Trust addressed to the Trust, the Refunding Fiduciary and the Master Program Trustee to the effect that such amendments shall be permitted or necessary to assure continued compliance with Rule 15c2-12 as so amended or interpreted, then the Trust, the Refunding Fiduciary and the Master Program Trustee shall amend this Agreement to comply with and be bound by any such amendment to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and shall provide written notice of such amendment as required by Section 4.9(c) hereof.

**Section 4.11. Governing Law.** This Agreement shall be governed exclusively by and construed in accordance with the laws of the State and the laws of the United States of America, as applicable.

**Section 4.12. Commencement and Termination of Continuing Disclosure Obligations.** The obligations of the Trust and the Refunding Fiduciary hereunder and the consent of the Master Program Trustee set forth in Section 2.6 hereof shall be in full force and effect from the date of issuance of the Bonds, and shall continue in effect until the date either (i) the Bonds are no longer outstanding in accordance with the terms of the Resolution or (ii) the Program no longer remains a material "obligated person" (as the term "obligated person" is defined in Rule 15c2-12) as a result of an interpretation of Rule 15c2-12, and in either event only after the Trust delivers written notice to such effect to each National Repository or to the MSRB and the State Depository, if any.

**Section 4.13. Prior Undertakings.** The Trust has not failed to comply in any material respect with any prior continuing disclosure undertaking made by the Trust in accordance with Rule 15c2-12.

**Section 4.14. Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon the Trust, the Refunding Fiduciary and the Master Program Trustee and their respective successors and assigns.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF**, NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, U.S. BANK NATIONAL ASSOCIATION and U.S. BANK TRUST NATIONAL ASSOCIATION, a national banking association, have caused this Agreement to be executed in their respective names to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

**NEW JERSEY ENVIRONMENTAL  
INFRASTRUCTURE TRUST**

**By:**\_\_\_\_\_

**U.S. BANK NATIONAL  
ASSOCIATION,  
as Refunding Fiduciary**

**By:**\_\_\_\_\_

**U.S. BANK TRUST  
NATIONAL ASSOCIATION,  
a national banking association,  
as Master Program Trustee**

**By:**\_\_\_\_\_

**EXHIBIT A**

**OBJECTIVE CRITERIA AS SET FORTH IN THE FINAL OFFICIAL STATEMENT**

**EXHIBIT B**

**FORM OF NOTICE TO REPOSITORIES OF  
FAILURE TO FILE ANNUAL REPORT**

Name Reporting Party: New Jersey Environmental Infrastructure Trust

Name of Bond Issue: New Jersey Environmental Infrastructure Trust "Environmental Infrastructure Refunding Bonds, Series 2014B-R (AMT)" dated August \_\_, 2014

Date of Issuance: August \_\_, 2014

CUSIP Numbers:

**NOTICE IS HEREBY GIVEN** that the New Jersey Environmental Infrastructure Trust (the "Trust") has not provided an Annual Report with respect to the above-named Bonds as required by the "Trust Continuing Disclosure Agreement" dated August \_\_, 2014 by and among the Trust, U.S. Bank National Association, as Refunding Fiduciary, and U.S. Bank Trust National Association, a national banking association, as Master Program Trustee. [The Trust has advised the Refunding Fiduciary that it anticipates that the Annual Report will be filed by \_\_\_\_\_.]

**U.S. BANK NATIONAL ASSOCIATION,  
as Refunding Fiduciary**

**By:** \_\_\_\_\_  
**Name:**  
**Title:**

Dated: \_\_\_\_\_



**EXHIBIT B**

**FORM OF SERIES 2014B-R REFUNDING BONDS**

**UNITED STATES OF AMERICA**

**STATE OF NEW JERSEY**

**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

**ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS, SERIES 2014B-R (AMT)**

**NO. R-**\_\_\_\_\_ **CUSIP:** \_\_\_\_\_

<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Dated Date</b>	<b>Authentication Date</b>
____.00%	September 1, _____	August __, 2014	August __, 2014

**Registered Owner:** CEDE & CO.

**Principal Sum:** \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_)

**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST** (the "Trust"), a public body corporate and politic and an instrumentality of the State of New Jersey created and existing under the laws of the State of New Jersey, hereby acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner stated hereon or its registered assigns, on the Maturity Date stated hereon, but solely from the funds pledged therefor, upon presentation and surrender of this bond at the principal corporate trust office of U.S. Bank, National Association (such bank and any successors thereto being herein called the "Series 2014B-R Refunding Fiduciary"), the Principal Sum stated hereon in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts, and to pay from such pledged funds on March 1 and September 1 in each year, commencing March 1, 2015, until the Trust's obligation with respect to the payment of such Principal Sum shall be discharged to the Registered Owner hereof, interest from the Dated Date hereof on such Principal Sum by check or draft of the Series 2014B-R Refunding Fiduciary mailed to such Registered Owner who shall appear as of the fifteenth (15th) day (whether or not such day shall be a Business Day) of the month immediately preceding such interest payment date on the books of the Trust maintained by the Series 2014B-R Refunding Fiduciary. However, so long as the Series 2014B-R Refunding Bonds (as hereinafter defined) are held in book-entry-only form pursuant to the Resolution (as hereinafter defined), the provisions of the Resolution governing such book-entry-only form shall govern repayment of the principal or Redemption Price, if any, of and interest on the Series 2014B-R Refunding Bonds.

This bond is one of a duly authorized Series of Bonds of the Trust designated "Environmental Infrastructure Refunding Bonds, Series 2014B-R (AMT)" (herein called the "Series 2014B-R Refunding Bonds"), in the aggregate principal amount of \$\_\_\_\_\_, issued under and in full compliance with the Constitution and statutes of the State of New Jersey, and particularly the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Laws of New Jersey of 1985, as amended and supplemented (herein called the "Act"), and under and pursuant to a resolution authorizing the Series 2014B-R Refunding Bonds adopted by

the Trust: (i) with respect to the 2004B Allocable Portion, on September 20, 2004 and entitled "Environmental Infrastructure Bond Resolution, Series 2004B" (the "Original Series 2004B Bond Resolution"); and (ii) with respect to the 2005B Allocable Portion, on September 20, 2005 and entitled "Environmental Infrastructure Bond Resolution, Series 2005B" (the "Original Series 2005B Bond Resolution"; the Original 2004B Bond Resolution and the Original 2005B Bond Resolution shall be referred to collectively herein as the "Original Bond Resolutions"), each such Original Bond Resolution as amended and supplemented by the "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2014B-R of the New Jersey Environmental Infrastructure Trust" adopted by the Trust on July 1, 2014, as amended by a Certificate of an Authorized Officer of the Trust dated August \_\_, 2014 (the "Series 2014B-R Refunding Supplemental Bond Resolution" and together with the Original Bond Resolutions as the same may be further amended and supplemented from time to time in accordance with their respective terms, the "Resolution"). All capitalized terms not defined herein shall have the meanings set forth in the Resolution as if fully set forth herein.

As provided in the Resolution, the Series 2014B-R Refunding Bonds and all other bonds issued on a parity basis with the Series 2014B-R Refunding Bonds under the Resolution (herein collectively called the "Bonds") are direct and special obligations of the Trust payable solely, subject to the following sentence, from and secured (as to payment of principal or Redemption Price, if any, of and interest on), (i) to the extent of the 2004B Allocable Portion, by the Trust Estate (as defined in the Original Series 2004B Bond Resolution) (the "2004B Trust Estate"); and (ii) to the extent of the 2005B Allocable Portion, by the Trust Estate (as defined in the Original Series 2005B Bond Resolution) (the "2005B Trust Estate"; the 2004B Trust Estate and the 2005B Trust Estate shall be referred to collectively herein as the "Trust Estates"), all in accordance with their terms and the terms and conditions of the Resolution, subject only to the provisions of the Resolution permitting the application of the applicable Trust Estate (as set forth in the immediately preceding clauses) for the purposes and upon the terms and conditions set forth in the Resolution. The principal or Redemption Price, if any, of and interest on the Series 2014B-R Refunding Bonds are additionally secured by moneys held by the Master Program Trustee in the Master Program Trust Account to the extent set forth in the Master Program Trust Agreement. Each of the Trust Estates under the Resolution includes the respective Loan Agreements for the respective Series of Bonds to be Refunded, any other respective Revenues and all other respective funds and accounts established under the Resolution (other than the Operating Expense Fund, the Project Fund, and the Rebate Fund), including Investment Securities, as applicable, held in any such fund thereunder, together with all proceeds and revenues of the foregoing, all of the Trust's right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price, if any, of and interest on the Bonds, all in accordance with and subject to the terms and provisions of the Resolution. Copies of the Resolution are on file at the office of the Trust and at the above-mentioned office of the Series 2014B-R Refunding Fiduciary. Reference is hereby made to the Act and to the Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security under the Resolution and for all of the other terms

and provisions thereof. All duties, covenants, agreements and obligations of the Trust under the Resolution may be discharged and satisfied at or prior to the maturity or redemption, if any, of this bond if moneys or certain specified securities shall have been deposited with the Series 2014B-R Refunding Fiduciary, all in accordance with the terms and provisions of the Resolution.

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

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by the Trust with the written consent of the holders of at least two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding under the Resolution at the time such consent is given, and, in case less than all of the several Series of Bonds then Outstanding are affected thereby, with such consent of at least two-thirds (2/3) in aggregate principal amount of the Bonds of each Series so affected and Outstanding; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding under the Resolution, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption, if any (including Sinking Fund Installments), or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price, if any, thereof or in the rate of interest thereon without the consent of the holder of such Bond, nor shall it reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, nor shall it change or modify any of the rights or obligations of the Series 2014B-R Refunding Fiduciary without its written assent thereto.

This bond is transferable, as provided in the Resolution, only upon the books of the Trust kept for that purpose at the above-mentioned office of the 2014B-R Refunding Fiduciary, as bond registrar, by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar duly executed by the Registered Owner or such Registered Owner's duly authorized attorney, and thereupon a new fully registered bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution upon payment of the charges therein prescribed. The Trust and the Series 2014B-R Refunding Fiduciary may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the

principal or Redemption Price, if any, hereof and the interest due hereon and for all other purposes.

The Series 2014B-R Refunding Bonds shall not be subject to redemption prior to their respective stated maturity dates.

The principal or Redemption Price, if any, of and interest on the Series 2014B-R Refunding Bonds are payable by the Trust solely from the Trust Estates, and neither the State of New Jersey nor any political subdivision thereof, other than the Trust (but solely to the extent of the Trust Estates), is obligated to pay the principal or Redemption Price, if any, of or interest on this bond and the issue of which it is one, and neither the full faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal or Redemption Price, if any, of or interest on this bond or the issue of which it is one.

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

This bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Series 2014B-R Refunding Fiduciary of the Series 2014B-R Refunding Fiduciary's Certificate of Authentication hereon.

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

**NEW JERSEY ENVIRONMENTAL  
INFRASTRUCTURE TRUST**

By: \_\_\_\_\_

[SEAL]

**ATTEST:**

\_\_\_\_\_

**SERIES 2014B-R REFUNDING FIDUCIARY'S CERTIFICATE OF AUTHENTICATION**

This bond is one of the Series 2014B-R Refunding Bonds delivered pursuant to the within-mentioned Resolution.

**U.S. BANK NATIONAL ASSOCIATION,  
as Series 2014B-R Refunding Fiduciary**

**By: \_\_\_\_\_  
Authorized Signatory**

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

TEN COM - as tenants in common  
TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with  
right of survivorship  
and not as tenants in common

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

### ASSIGNMENT

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

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

(Please Print or Typewrite Name and Address of Transferee)

\_\_\_\_\_  
the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_, Attorney, to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranty:

Signature:

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

\_\_\_\_\_  
NOTICE: The signature of this Assignment must correspond with the name that appears upon the first page of the within bond in every particular, without alteration or enlargement or any change whatsoever.