PUBLIC NOTICE

Public notice is hereby given that the New Jersey Environmental Infrastructure Trust ("Trust") Board of Directors will hold a public meeting on Thursday, May 12, 2016 at 10:00 a.m., in the large conference room, at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey. Formal action may be taken at this meeting.

To the extent known, the agenda of the public meeting will be as follows:

1. Call to Order – Vice Chairman
2. Open Public Meeting Act Statement
3. Roll Call
4.* Approval of the Minutes of the April 14, 2016 Meeting
5. Announcements
6. Public Comment
7. Unfinished Business:
   A. Discussion of the Construction Status Report (hand-out) (G. Chebra)
   B. Discussion and Status of SFY2016 Financing Program Projects (hand-out) (G. Chebra)
   C. Update on Outstanding Trust Requests for Proposals (D. Zimmer)
   D. Update on Construction Loan Program (D. Zimmer)
8. New Business
   A.* Discussion and Acceptance of the March 2016 Treasurer’s Report (J. Hansbury)
   B.* Discussion and Approval of the Executive Director’s Bond Sale Report for Bond Series 2016A-1, Series 2016A-R1 and Series 2016A-R2 (D. Zimmer)
   C.* Discussion and Approval of a Resolution Approving the Trust’s Amended and Restated Small System Loan (NANO) Program for SFY2016 (L. Kaltman)
   D.* Discussion and Approval of a Resolution Approving the Trust’s Operating Budget (L. Kaltman)
   E.* Discussion and Approval of a Resolution Approving the Trust’s SFY2017 Financial Plan (May Report) and Disaster Relief Emergency Financing Program (F. Scangarella)
9.* Executive Session (if necessary)

*ACTION ITEMS

Please note this is a proposed agenda and the New Jersey Environmental Infrastructure Trust may consider and take action on such other business, which may come before it at this public meeting. In addition, the New Jersey Environmental Infrastructure Trust may not act upon the items listed in the above-proposed agenda in its discretion.
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 April 14, 2016 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,

Mark Longo  
Secretary

Enclosure

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

OPEN PUBLIC MEETING

MINUTES – April 14, 2016

1. CALL TO ORDER:

A meeting of the New Jersey Environmental Infrastructure Trust was convened on Thursday, April 14, 2016 in the conference room of 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey. Chairman Briant called the meeting to order at 10:04 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. Melissa Pierce conducted roll call to which Mr. Briant, Mr. Longo, Mr. Kennedy, Mr. Requa, and Mr. Griffin all responded affirmatively.

DIRECTORS
Robert A. Briant, Jr., Vice Chairman
Mark Longo, Secretary
Dan Kennedy
(for DEP Commissioner Martin)
Michael Griffin
(for Acting State Treasurer Scudder)
James Requa (*)
(for DCA Commissioner Richman)

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

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

Vice Chairman Briant opened discussion of the minutes of the Thursday, March 10, 2016 Trust Board meeting.

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

Mr. Griffin moved for the approval of the minutes. Mr. Longo seconded the motion. The motion was carried 5 to 0 with 0 abstentions.

5. **ANNOUNCEMENTS:**

Executive Director Zimmer summarized a number of the substantive meetings that occurred and the correspondence which was issued since the last Trust Board meeting:

- On April 13, 2016, Executive Director Zimmer and Assistant Director Scangarella met with the Executive Director and senior staff of the Jersey City Redevelopment Authority to discuss financing for a pending Redevelopment project.
- On April 12, 2016, Executive Director Zimmer, and Chief Financial Officer Kaltman and members of PFM’s financial team met in New York City with representatives from Fitch Ratings, Moody’s Investor Services and S&P Ratings regarding the Trust’s three upcoming bond issues.
- On April 7, 2016, Assistant Director Scangarella and DEP Senior Staff met with the Trust’s prequalified Engineering firms to discuss Engineering Services for developing guidelines for Green Infrastructure projects.
- From March 21 to March 23, 2016, Executive Director Zimmer, Assistant Director Scangarella, and members of the NJDEP participated in CIFA’s (the Council of Infrastructure Financing Authorities) annual conference in Washington, DC alongside representatives from the EPA, and several other SRF state financing organizations.
- Notably, there is a special Board meeting scheduled for April 28, 2016 at 10:00 a.m. at the Trust’s offices.
- The Trust will hold its next regularly scheduled Board meeting on Thursday, May 12, 2016 at 10:00 am at the Trust’s offices.

A copy of the announcements are available on the Trust’s webpage under the Recent Board Meeting Documents tab. [http://njeit.org/board-meetings](http://njeit.org/board-meetings) (Locate “Meeting Date”, then select “Minutes”. The announcements will be at the end of the file.)

There were no comments or questions.

6. **PUBLIC COMMENTS:**

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

A. Mr. Chebra, of the NJDEP’s Municipal Finance and Construction Element, reported that there are 179 active projects totaling $837,740,769 and 1,094 closed projects with loans outstanding totaling $5,216,839,864 for a grand total of 1,273 projects at $6,054,580,633.

B. Mr. Chebra discussed the SFY2016 Combined Financing Loan Programs:

**SFY2016 Clean Water Financing Program:**

<table>
<thead>
<tr>
<th>Certification Type</th>
<th>Projects Totaling</th>
<th>Total Loan</th>
</tr>
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<tbody>
<tr>
<td>Certified &amp; Received Loan-Term Loan:</td>
<td>9</td>
<td>$35,415,068</td>
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<tr>
<td>Certified with Construction Loan:</td>
<td>20</td>
<td>$103,964,968</td>
</tr>
<tr>
<td>Certified:</td>
<td>21</td>
<td>$60,889,353</td>
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<tr>
<td>Project Received Authorized to Advertise - approval expected by 6/30/16:</td>
<td>22</td>
<td>$128,637,292</td>
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<tr>
<td>Project Has Authorized to Advertise - approval not expected by 6/30/16:</td>
<td>1</td>
<td>$11,371,185</td>
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<tr>
<td>Project Approval expected by 6/30/16:</td>
<td>31</td>
<td>$326,633,132</td>
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<tr>
<td>Project Approval not expected by 6/30/16:</td>
<td>55</td>
<td>$596,682,439</td>
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<tr>
<td><strong>Total Clean Water Projects</strong></td>
<td><strong>159</strong></td>
<td><strong>$1,263,593,437</strong></td>
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**SFY2016 Drinking Water Financing Program:**

<table>
<thead>
<tr>
<th>Certification Type</th>
<th>Projects Totaling</th>
<th>Total Loan</th>
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</thead>
<tbody>
<tr>
<td>Certified &amp; Received Loan-Term Loan:</td>
<td>2</td>
<td>$2,121,401</td>
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<tr>
<td>Certified with Construction Loan:</td>
<td>13</td>
<td>$34,918,586</td>
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<tr>
<td>Certified:</td>
<td>12</td>
<td>$40,262,969</td>
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<tr>
<td>Project Received Authorized to Advertise - approval expected by 6/30/16:</td>
<td>18</td>
<td>$45,179,797</td>
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<td>Project Has Authorized to Advertise - approval not expected by 6/30/16:</td>
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<td>$7,596,641</td>
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<td>Project Approval expected by 6/30/16:</td>
<td>26</td>
<td>$98,745,448</td>
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<td>Project Approval not expected by 6/30/16:</td>
<td>46</td>
<td>$217,203,233</td>
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<td><strong>Total Drinking Water Projects</strong></td>
<td><strong>120</strong></td>
<td><strong>$446,028,075</strong></td>
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**SFY2016 Grand Totals:**

<table>
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<tr>
<th>Certification Type</th>
<th>Projects</th>
<th>Total Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clean &amp; Drinking Water Program Totals:</strong></td>
<td>279</td>
<td><strong>$1,709,621,512</strong></td>
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</table>

There were no comments or questions.

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

**Financial Advisory Services (Resolution 16-04)**
The Board will consider Staff’s contract award recommendation later in the meeting as Agenda Item 8F.
D. Executive Director Zimmer next reported on the status of the Construction Loan Program:

- The Trust received 7 new applications for Short Term Loan Financing since the March board meeting.
  - The Trust has received 47 Construction Loan applications totaling $154.2 M.

- The Trust closed on 6 Construction Loan applications totaling $16.7 M; a CSO in Planning and Design project for Elizabeth City for $3.35 M; clean water rehabilitation for a Waste Water Treatment Plant for Middlesex County UA for $9.8 M; three projects for Washington Twp. UA for $2.5 M (a clean water Pump Station replacement for $1 M, two (2) drinking water projects for a pump house and well replacement for $1.5 M); and a drinking water main replacement project for Ocean Gate Borough for $.7 M.
  - The Trust has closed on 32 Construction Loan applications to-date totaling $104.2 M.

- The Trust disbursed $10.1 M of funds to 9 projects since the March board meeting.
  - 27 projects have received Construction Loan disbursement from the Trust to-date totaling approximately $46.6 M.

The Construction Loan Report was provided to the Board of Directors of the Trust in satisfaction of the requirements of Section 12 of the authorizing Resolution No. 16-02 adopted on January 14, 2016.

There were no comments or questions.

E. Executive Director Zimmer requested that CFO Kaltman discuss the status of the quarterly Aged Inventory Report. In the previous quarter the Program closed out four of sixteen projects issued prior to 2010. Six additional projects are expected to close in the next quarter.

8. NEW BUSINESS:

A. Executive Director Zimmer requested that the Trust’s Chief Budget Officer, John Hansbury, introduce Resolution No. 16-10 accepting the February 2016 Treasurer’s Report.

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>% of Budget</th>
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<tbody>
<tr>
<td>Revenues earned</td>
<td>$ 504,872</td>
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<tr>
<td>YTD Total Revenues</td>
<td>$ 4,518,647</td>
<td>105</td>
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<td>Budgeted:</td>
<td>$ 4,320,031</td>
<td></td>
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<tr>
<td>Expenses incurred</td>
<td>$291,438</td>
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<tr>
<td>YTD Total Expenses</td>
<td>$3,361,818</td>
<td>88</td>
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<tr>
<td>Incurred:</td>
<td>$3,839,707</td>
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<tr>
<td>Difference YTD v.</td>
<td>($676,505)</td>
<td>Excess cash flow</td>
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<td>Budgeted YTD:</td>
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</table>

Mr. Hansbury asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.
The resolution was moved for adoption by Mr. Kennedy and seconded by Mr. Griffin. The motion was carried 5 to 0 with 0 abstentions.

B. Executive Director Zimmer introduced Resolution No. 16-11 approving the New Jersey Environmental Infrastructure Bond Resolution, Series 2016A-1. The Resolution authorizes Trust staff to take the necessary actions to market and sell the new series of bonds for Governmental Borrowers as well as for the Trust to execute and deliver the requisite documentation for the bond sale, currently scheduled for May 10, 2016. The Trust expects to issue approximately $24.5 M in par bonds to finance 29 projects for 19 borrowers with costs totaling $96 M. The remaining funds are being provided by the DEP. As required by Program statute, the Trust received the Governor and Treasurer’s written prior approval of all Bond Resolutions.

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

The resolution was moved for adoption by Mr. Requa and seconded by Mr. Longo. The motion was carried 5 to 0 with 0 abstentions.

C. Executive Director Zimmer introduced Resolution No. 16-12 approving the Supplemental Bond Resolution authorizing the Environmental Infrastructure Refunding Bond, Series 2016A-R1. The Resolution authorizes Trust staff to take the necessary actions to market and sell the Series of Trust bonds for Governmental Borrowers to advance refund the outstanding Trust Bond Series 2008A as well as for the Trust to execute and deliver the requisite documentation for the bond sale, scheduled to happen concurrently with the above noted new issue bond deal on May 10, 2016. The Trust anticipates issuing approximately $57.4 M in refunding bonds with expected net present value savings for the 39 participating borrowers of $7.4 M or approximately 11.7% of the refunded bonds, well in excess of the Program’s statutorily required minimum of 3%.

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

The resolution was moved for adoption by Mr. Kennedy and seconded by Mr. Longo. The motion was carried 5 to 0 with 0 abstentions.

D. Executive Director Zimmer introduced Resolution No. 16-13 approving the Supplemental Bond Resolution authorizing the Environmental Infrastructure Refunding Bond, Series 2016A-R2. The Resolution authorizes Trust staff to take the necessary actions to market and sell the Series of Trust bonds for Governmental Borrowers to advance refund the outstanding Trust Bond Series 2010B as well as for the Trust to execute and deliver the requisite documentation for the bond sale, scheduled to occur concurrently with the above noted new issue bond deal on May 10, 2016. The Trust anticipates issuing approximately $66.9 M in refunding bonds with expected net present value savings for the 60 participating borrowers of $6.8 M or approximately 9.5% of the refunded bonds, again, well in excess of the program’s statutory required minimum of 3%.
Executive Director Zimmer asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Longo and seconded by Mr. Requa. The motion was carried 5 to 0 with 0 abstentions.

E. Executive Director Zimmer introduced Resolution No. 16-14 certifying projects for the SFY2016 Financing Program. The Resolution certifies projects and their sponsors have satisfied all Financing Program pre-requisites. Certified projects will be included in the upcoming May bond sale or in future bond sales based upon readiness. The May bond sale will also include projects that were already certified by the Board in October 2015 which are now ready to proceed with long term funding.

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

The resolution was moved for adoption by Mr. Griffin and seconded by Mr. Longo. The motion was carried 5 to 0 with 0 abstentions.

F. Executive Director Zimmer requested Trust’s Compliance/Legal Officer, Judy Karp, introduce Resolution No. 16-15 authorizing the Award of a Financial Advisory Services Contract. Pursuant to Resolution No. 16-04, the Trust issued an RFP for Financial Advisory Services. The Review Committee received and members independently reviewed four responses. Public Financial Management, Inc. (PFM) submitted the highest ranked proposal and had the lowest estimated cost of the two highest ranked firms. This Resolution authorizes the Trust to appoint PFM as the Financial Advisor for the SFY 2017 and SFY 2018 Financing Programs, with an option to extend the contract one-year upon approval of the Board.

Ms. Karp asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Longo and seconded by Mr. Kennedy. The motion was carried 5 to 0 with 0 abstentions.

G. Executive Director Zimmer introduced Resolution No. 16-16 approving the substitution of a Junior lien bond for a Senior lien bond as collateral for a loan made to Passaic Valley Sewerage Commission (PVSC) in the SFY2014 Financing Program. Pursuant to Resolution No. 14-12, the Board certified a project for, and the Trust issued funds to PVSC in the amount of $6,835,000 (the DEP issued a corresponding loan in the amount of $20,834,177). PVSC’s loans were secured by a senior lien bond pledge which, pursuant to PVSC’s own general resolution, required them to post $1.7 million in reserves as a collateral reserve. The Financing Program does not require a reserve by such Authorities. Instead, the Program offers Authorities a Junior Lien Loan Program to mitigate this additional cash flow burden. At the time of the original loan closing, PVSC was unable to offer a Junior lien bond to the Trust and DEP as collateral for the loans. Now that PVSC is in a positon to offer the Financing Program a junior lien, the Authority is asking for the ability to swap its Senior lien and unlock the $1.7 million reserve it has tied up. The Program has offered such a swap in the past to both
Middlesex County UA and Ocean County UA. Accordingly, Executive Director Zimmer recommended the Board approve the substitution.

Executive Director Zimmer asked if there were any comments or questions. Vice Chairman Briant asked Executive Director Zimmer if there were any other changes in the risks from moving the collateral form from a Senior Lien Bond to a Junior Lien Bond. Executive Director Zimmer stated he had spoken with Trust Bond Counsel and there was none apparent given the design of the Trust’s Junior Lien Program.

Vice Chairman Briant then asked for a motion for approval.

The resolution was moved for adoption by Mr. Longo and seconded by Mr. Requa. The motion was carried 5 to 0 with 0 abstentions.

9. **EXECUTIVE SESSION:**

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

Vice Chairman Briant asked Executive Director Zimmer if there was any further action required by the Board. Mr. Zimmer answered there was not.

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

Mr. Longo moved to adjourn the meeting. The motion was seconded by Mr. Griffin. The motion was carried 5 to 0 with 0 abstentions.

The meeting was adjourned at 10:38 a.m.
RESOLUTION NO. 16 - 10

RESOLUTION AUTHORIZING APPROVAL OF THE FEBRUARY 2016 TREASURER’S REPORT

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") has reviewed the Treasurer’s Report for February 2016; and

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

NOW THEREFORE BE IT RESOLVED, that the Trust hereby accepts the Treasurer’s Report for February 2016 request that the same be entered into the record.

Adopted Date: April 14, 2016
Motion Made By: Dan Kennedy
Motion Seconded By: Michael Griffin
Ayes: 5
Nays: 0
Abstentions: 0
RESOLUTION NO. 16 - 11

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

ENVIRONMENTAL INFRASTRUCTURE BOND RESOLUTION, SERIES 2016A-1

Adopted April 14, 2016

Adopted Date: April 14, 2016
Motion Made By: James Requa
Motion Seconded By: Mark Longo
Ayes: 5
Nays: 0
Abstentions: 0
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BE IT RESOLVED by the Board of Directors of the New Jersey Environmental Infrastructure Trust (the “Trust”) as follows:

ARTICLE I
DEFINITIONS AND RULES OF INTERPRETATION

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

“Account” means any account designated and established hereunder.

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

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

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

“Allocable Share” for any Borrower means (i) with respect to Net Earnings on the SRF Account of the Debt Service Reserve Fund during the capitalized interest period for SRF Borrowers that are not or are no longer capitalizing interest as determined pursuant to Section 5.10(2)(b)(i) hereof, the percentage set forth for any such SRF Borrowers on Schedule II-A attached hereto, which percentage shall be equal to a fraction, the numerator of which shall equal the principal amount of the Loan for such SRF Borrower, and the denominator of which shall equal the aggregate principal amount of all Loans for all SRF Borrowers that are not or are no longer capitalizing interest as of the date of such determination, (ii) with respect to Net Earnings on the Non-SRF Account of the Debt Service Reserve Fund during the capitalized interest period for non-SRF Borrowers that are not or are no longer capitalizing interest as determined pursuant to Section 5.10(2)(b)(ii) hereof, the percentage set forth for any such non-SRF Borrowers on Schedule II-B attached hereto, which percentage shall be equal to a fraction, the numerator of which shall equal the principal amount of the Loan for such non-SRF Borrower, and the denominator of which shall equal the aggregate principal amount of all Loans for all non-SRF Borrowers that are not or are no longer capitalizing interest as of the date of such determination, (iii) with respect to Net Earnings on the Debt Service Reserve Fund after the capitalized interest period as determined pursuant to Sections 5.10(3) and 5.10(4)(c) and (d) hereof, and with respect to the Net Earnings on all other funds and accounts that are subject to transfer and credit in accordance with Sections 5.10(3) and (4) hereof, the percentage set forth for any such Borrower on Schedule I-A attached hereto for SRF and non-SRF Borrowers, respectively, which percentage shall be equal to a fraction, the numerator of which shall equal the principal amount of the Loan for such Borrower, and the denominator of which shall equal the aggregate principal amount of all Loans for all SRF or non-SRF Borrowers, respectively, and (iv) for all other purposes hereunder, the percentage set forth for any such Borrower on Schedule I-B attached hereto, which percentage shall be equal to a fraction, the numerator of which shall equal the principal amount of the Loan for such
Borrower, and the denominator of which shall equal the aggregate principal amount of all Loans for all Borrowers; provided, however, that in the event the Borrowers are either all SRF Borrowers or all non-SRF Borrowers, the percentages set forth in Schedule I-A attached hereto shall equal the percentages set forth in Schedule I-B hereto.

“Allowable Project Cost” means for any Borrower the Trust Share as initially defined in Exhibit B to such Borrower’s Loan Agreement.

“Applicable” means (i) with reference to any Fund, Account or Subaccount so designated and established by this Bond Resolution, the Fund, Account or Subaccount so designated and established, (ii) with respect to any Series of Bonds, the Series of Bonds issued for a particular purpose hereunder, and (iii) with respect to any Loan Agreement, the Loan Agreement entered into by and between a Borrower and the Trust relating to a borrowing from the Trust.

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

“Authorized Officer” means (i) in the case of the Trust, 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 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 or Executive Director; (ii) in the case of a Borrower, any person or persons authorized pursuant to a resolution or ordinance of the governing body of the Borrower to perform any act or execute any document; the designation of such person or persons shall be evidenced by a certified copy of such resolution or ordinance delivered to the Trust and the Trustee; and (iii) in the case of the Trustee, any person or persons authorized to perform any act or execute any document; the designation of such person or persons shall be evidenced by a written certificate containing the specimen signature of such person or persons reasonably acceptable to the Trust.

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

“Bond” or “Bonds” means one or more, as the case may be, of the Series 2016A-1 Bonds or Refunding Bonds, and all bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10 hereof.

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

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

“Bond Resolution” means this “Environmental Infrastructure Bond Resolution, Series 2016A-1”, as adopted by the Board on April 14, 2016, and all amendments and supplements thereto adopted in accordance with the provisions hereof.
“Bond Year” means a period of 12 consecutive months beginning on September 1 of any calendar year and ending on August 31 of the immediately succeeding calendar year, except that the first bond year shall be a period commencing on the date of issuance of the initial Series of Bonds hereunder and ending on the next succeeding August 31.

“Borrower” means any Local Government Unit or Private Entity (as such terms are defined in the Regulations) authorized to construct, operate and maintain environmental infrastructure facilities that has entered into a Loan Agreement with the Trust pursuant to which such Borrower will borrow money from the Project Fund financed through the issuance of the Series 2016A-1 Bonds. Borrowers shall include municipal and county Borrowers and authority Borrowers. The municipal Borrowers consist of: Brielle Borough (1308001-002, 1308001-003), Burlington Township (S340712-14), Califon Borough (S340431-01), Gloucester City (S340958-06, 0414001-020), Gloucester Township (S340364-14), Manasquan Borough (S340450-01, 1327001-001A), Marlboro Township (1328002-002), Milltown Borough (S340102-03), Perth Amboy City (S340435-12, 1216001-006, 1216001-007), Roosevelt Borough (1341001-001, 1341001-004) and Ventnor City (S340667-02). The authority Borrowers consist of: Cape May County Municipal Utilities Authority (S340661-22), Jersey City Municipal Utilities Authority (0906001-011), Middlesex County Utilities Authority (S340699-15), Ocean County Utilities Authority (S340372-53, S340372-54), Old Bridge Municipal Utilities Authority (S340945-08-1, S340945-13, 1209002-011, 1209002-012), Pompton Lakes Borough Municipal Utilities Authority (S340636-08), Wanaque Valley Regional Sewerage Authority (S340780-04 (DRAA), S340780-04 (non-DRAA)) and Warren Township Sewerage Authority (S340964-01, S340964-02). All of the Borrowers are SRF Borrowers.

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

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

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

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

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

“Code” means the Internal Revenue Code of 1986, as the same may from time to time be amended or supplemented, including any regulations promulgated thereunder and any administrative or judicial interpretations thereof.
“Cost” means those costs that are eligible, reasonable, necessary, allocable to a Borrower’s Project and permitted by generally accepted accounting principles, including Allowances and Building Costs (as defined in the Regulations), as shall be determined on a project-specific basis in accordance with the Regulations.

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

“Costs of Issuance Account” means the Account within the Operating Expense Fund so designated and established by Article V hereof.

“Counsel” means an attorney at law or firm of attorneys at law (who may be, without limitation, of counsel to, or an employee of, the Trust, the Trustee, the Paying Agent, the Master Program Trustee or any Borrower) duly admitted to practice law before the highest court of any state.

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

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

“Debt Service Reserve Fund Credit Facility” means any irrevocable letter of credit or insurance policy issued to the Trustee by a bank, insurance company or other financial institution, the long term debt of which is rated in either of the two highest credit rating categories by one or more Rating Agency.

“Debt Service Reserve Requirement” means, as of any date of calculation, (1) an amount equal to, or (2) a Debt Service Reserve Fund Credit Facility in an aggregate principal 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 2016A-1 Bonds and Outstanding Refunding Bonds and (b) principal or Sinking Fund Installments, as the case may be, of the Outstanding Series 2016A-1 Bonds and 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 Series 2016A-1 Bonds and Outstanding Refunding Bonds payable beginning in such Bond Year and each succeeding Bond Year thereafter until the maturity of the Outstanding Series 2016A-1 Bonds and Outstanding Refunding Bonds, and the denominator of which is the number of years or portion thereof until the maturity of the Outstanding Series 2016A-1 Bonds and Outstanding Refunding Bonds; or (iii) the sum of 10% of the “proceeds” of the Series 2016A-1 Bonds, but only if such Series 2016A-1 Bonds are Outstanding, and if any Refunding Bonds are Outstanding, 10% of the “proceeds” of such Refunding Bonds, within the meaning of Section 148(d) of the Code. Notwithstanding the provisions of this definition to the contrary, if each Rating Agency that has been requested by the Trust to publish a rating for the Series 2016A-1 Bonds or any Refunding Bonds, as the case may be, determines that such Rating Agency shall assign to the Series 2016A-1 Bonds or any Refunding Bonds, as the case may be, upon the issuance thereof, the then highest rating assigned to any such debt instruments by such Rating Agency notwithstanding the fact that the Debt Service Reserve Requirement is equal to $0.00, then, given such factual circumstances, the Debt Service Reserve Requirement pursuant to the terms of this Resolution shall be equal to $0.00 during
the entire period during which the Series 2016A-1 Bonds or any Refunding Bonds, as the case may be, remain Outstanding.

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

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

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Series 2016A-1 Bonds.

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

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

“Fund” means any Fund designated and established hereunder.

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

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

“Interest Payment Date” means each March 1 and September 1 until final maturity of the Bonds, commencing September 1, 2016.

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

“Investment Securities” means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the Trust’s funds, which securities may be obligations of the Trustee to the extent qualified hereunder:

(a) Obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof which obligations are backed by the full faith and credit of the United States. These include, but are not limited to:

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

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

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

   (iv) Small Business Administration – Guaranteed participation certificates; Guaranteed pool certificates;
(v) Government National Mortgage Association (GNMA) – GNMA-guaranteed mortgage-backed securities; GNMA-guaranteed participation certificates;

(vi) United States Department of Housing & Urban Development – Local authority bonds;
(vii) Washington Metropolitan Area Transit Authority – Guaranteed transit bonds;
(viii) State and Local Government Series; and
(ix) Veterans Administration – Guaranteed REMIC; Pass-through Certificates.

(b) Federal Housing Administration Debentures.

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

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

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

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

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

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

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

(vii) Resolution Funding Corp. (REFCORP) – Debt obligations.

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

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

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

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

(h) Investment in money market funds rated in the highest rating category for money market funds by at least one Rating Agency (including money markets funds managed by the Trustee or any of its affiliates).

(i) Any of the following stripped securities:

(i) United States Treasury STRIPS;

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

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

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

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

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

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

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

(A) Federal Farm Credit Banks Consolidated Systemwide Bonds;

(B) Federal Financing Bank;

(C) Federal Home Loan Banks; and

(D) Federal Land Banks;

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

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

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

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

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

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

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

“Master Program Trust Account” means the account and all subaccounts therein created pursuant to Section 3 of the Master Program Trust Agreement to be held by the Master Program Trustee in trust as additional security for the Holders of the Series 2016A-1 Bonds and all other Coverage Receiving Trust Bonds as defined in the Master Program Trust Agreement.

“Master Program Trust Agreement” means that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the Trust, the State, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder, as amended and supplemented by (i) that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement, dated as of November 1, 2001, by and among United States Trust Company of New York, as Outgoing Master Program Trustee, Street Bank and Trust Company, N.A. (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the Trust, and (ii) that certain First General Amendment to Master Program Trust Agreement, dated as of September 1, 2006, by and among, the Trust, the State, the Master Program Trustee, The Bank of New York, in several capacities thereunder, U.S. Bank National Association, in several capacities thereunder, and Commerce Bank, National Association, as Loan Servicer, as the same may be amended and supplemented from time to time in accordance with its terms.
“Master Program Trustee” means U.S. Bank Trust National Association (as successor to State Street Bank and Trust Company, N.A.), appointed pursuant to Section 2 of the Master Program Trust Agreement, and its successors as may be appointed pursuant to the provisions thereof.

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

“Notice of Sale” means the Notice of Sale of the Trust relating to the sale of the Series 2016A-1 Bonds to be dated on or about May 2, 2016, substantially in the form attached hereto as Exhibit D.

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

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

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

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

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

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

“Project Loan Account” means any of the Accounts within the Project Fund so designated and established by Article V.

“Rating Agency” shall mean individually or collectively, as the case may be, the nationally recognized rating agencies that have published ratings for the Series 2016A-1 Bonds.

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

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

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

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

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

“Reserve Capacity Debt Service Reserve Requirement” means that portion of the Debt Service Reserve Requirement financed with a portion of the proceeds of the Series 2016A-1 Bonds and attributable to the cost of funding reserve capacity for the Reserve Capacity Borrowers.

“Reserve Capacity Borrowers” means the Borrowers set forth in Section 2.03(7)(d) hereof.

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

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

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

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

“Series” means all of the Bonds authenticated and delivered on original issuance and identified pursuant to this Bond Resolution or the Supplemental Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.
“Series 2016A-1 Bonds” means the $____ aggregate principal amount of the Trust’s “Environmental Infrastructure Bonds, Series 2016A-1” authorized pursuant to Section 2.03 hereof.

“Sinking Fund Installments”, with respect to any Series of Bonds, shall have the meaning, if any, specified in either Section 2.03(6) of this Bond Resolution or the Applicable Supplemental Resolution.

“SRF”, with respect to any Fund, Account or Subaccount established under this Bond Resolution, means that such Fund, Account or Subaccount constitutes part of, and with respect to any Borrower, means a Borrower whose loan will be funded from, the State Water Pollution Control Revolving Fund of the State of New Jersey for purposes of the federal Water Quality Act of 1987, as amended.

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

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

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

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

“Subaccount” means any subaccount designated and established hereunder.

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

“Tax Certificate”, with respect to the Series 2016A-1 Bonds, means the “Tax Certificate as to Arbitrage and Instructions as to Compliance with the Provisions of Section 103(a) of the Internal Revenue Code of 1986, as Amended,” executed and delivered by an Authorized Officer of the Trust on the date of issuance of the Series 2016A-1 Bonds, as the same may be supplemented and amended from time to time.

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

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

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

SECTION 1.02. Rules of Interpretation. For all purposes of this Bond Resolution, except as otherwise expressly provided or unless the context otherwise requires:

1. “This Bond Resolution” means this instrument as originally adopted and as it may be supplemented, modified or amended from time to time by any Supplemental Resolution, unless in the case of any one or more Supplemental Resolutions the context requires otherwise.

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

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

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

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

SECTION 1.03. Authority for Bond Resolution and Delegation. This “Environmental Infrastructure Bond Resolution, Series 2016A-1” is adopted pursuant to the provisions of the Act and constitutes a resolution authorizing bonds pursuant to the Act.

Certain information to be set forth herein will not be available and/or has not been finalized at the time of the adoption hereof and will only be known upon the sale of the Series 2016A-1 Bonds. All information relating to the sale and award of the Series 2016A-1 Bonds in accordance with the terms of the Notice of Sale (including, without limitation, all information, if any, relating to the designation of the Series 2016A-1 Bonds as “Green Bonds”) and the final identification, categorization and related dates of certain Borrowers (including, without limitation, the elimination of one or more thereof), including, without limitation, the amounts and interest rates in the chart set forth in Section 2.03(2) hereof (provided that the aggregate cost of the Borrower Projects to be financed with proceeds of the Series 2016A-1 Bonds, exclusive of Trust costs of issuance, bond insurance, underwriter’s discount, original issue discount, reserve capacity, capitalized interest and any other related cost shall not exceed $45,000,000 (the “Aggregate Borrower Preliminary Project Cost Amount”)), the optional redemption provisions in Section 2.03(5) hereof, the Sinking Fund Installments in Section 2.03(6) hereof, if any, the amounts set forth in Section 2.03(7)(a), (b) and (c) hereof, including, without limitation, the “Amount to be Applied as Payment of Interest” chart set forth in Section 2.03(7)(a) hereof, the information set forth in Section 2.03(8) hereof, the information set forth in Exhibit F, Schedules I-A and I-B and Schedules II-A and II-B attached hereto, and the allocation of Revenues pursuant to the provisions of Section 5.04 hereof, shall be revised or inserted (as the case may be) subsequent to the time of adoption hereof and shall be deemed to be a part hereof, as if fully set forth herein at the time of adoption thereof. The Authorized Officers of the Trust, in consultation with Bond Counsel, general counsel and other appropriate advisors to the Trust, shall be and hereby are severally authorized and directed to revise or insert (as the case may be) such information subsequent to the time of adoption hereof. Notwithstanding the above, such information must be revised or inserted (as the case may be) in this Bond Resolution no later than the Loan Closing.
In addition, the interest cost, principal amount, purchase price, bidding parameters and other financial parameters set forth in the Notice of Sale in the form attached hereto may be amended, modified, supplemented or deleted by the Authorized Officers of the Trust, after consultation with Bond Counsel, general counsel and other appropriate advisors to the Trust, at any time prior to the sale of the Series 2016A-1 Bonds. Notwithstanding the foregoing, any such changes to be made pursuant to this paragraph shall be subject to the following limitations: (i) the true interest cost of the Series 2016A-1 Bonds shall be as low as practicable given the structuring requirements therefor, but in any event shall not exceed 6.00% per annum for the Series 2016A-1 Bonds, and (ii) the proceeds of the Series 2016A-1 Bonds shall produce sufficient moneys to fund, together with Net Earnings thereon, the Aggregate Borrower Preliminary Project Cost Amount, plus all additional items set forth above.

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

The Authorized Officers of the Trust are hereby severally authorized and directed, in consultation with Bond Counsel, general counsel to the Trust, other appropriate advisors to the Trust, and after notification to any officials whose approval is a condition precedent to the adoption of this Bond Resolution, to insert such changes, including, without limitation, with respect to the Debt Service Reserve Fund, subsequent to the time of adoption hereof, as shall be deemed necessary, desirable or convenient in order to achieve a rating for the Series 2016A-1 Bonds or any Refunding Bonds, as the case may be, from each Rating Agency that has been requested by the Trust to publish a rating for the Series 2016A-1 Bonds or any Refunding Bonds, as the case may be, that shall consist of the then highest rating (or as close to the then highest rating as may be possible) that is assigned to any such debt instruments by such Rating Agencies. Notwithstanding the above, any such changes must be inserted in this Bond Resolution no later than the Loan Closing.

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

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

AUTHORIZATION AND ISSUANCE OF BONDS

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

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

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

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

SECTION 2.02. General Provisions for Issuance of Bonds.

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

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

(b) In the case of each Series of Refunding Bonds, a copy of the Supplemental Resolution authorizing such Refunding Bonds, certified by an Authorized Officer of the Trust, which shall, among other provisions, specify: (i) the authorized principal amount, designation and Series of such Refunding Bonds; (ii) the purposes for which such Series of Bonds is being issued, which shall be the refunding of Bonds as provided in Section 2.04; (iii) the date, and the maturity date or dates, of the Refunding Bonds of such Series, provided that each maturity date shall fall upon September 1; (iv) the interest rate or rates of the Refunding Bonds of such Series and the initial Interest Payment Date therefor, provided that the interest rate shall be identical for all such Refunding Bonds of like maturity; (v) the denominations of, and the manner of dating, numbering and lettering, the Refunding Bonds of such Series, provided that such Refunding Bonds shall be in denominations of $5,000 or any integral multiple thereof as authorized by such Supplemental Resolution; (vi) the Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Refunding Bonds of such Series; (vii) the Redemption Price or Prices, if any, and, subject to Article IV, the redemption terms for the Refunding Bonds of such Series; (viii) the amount and due date of each Sinking Fund Installment, if any, for Refunding Bonds of like maturity of such Series, provided that each Sinking Fund Installment due date shall fall upon a September 1; (ix) the form of the Refunding Bonds of such Series and of the Trustee’s certificate of authentication, which shall be substantially in the form set forth in Section 14.01 for the Series 2016A-1 Bonds with such variations, insertions or omissions as are
appropriate and not inconsistent therewith; and (x) the provisions for the application of proceeds of such Series of Refunding Bonds;

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

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

(e) The amount, if any, required to be deposited in the Debt Service Reserve Fund, so that the amount in such Fund shall equal the Debt Service Reserve Requirement calculated immediately after the execution authentication and delivery of such Series of Bonds;

(f) With respect to the Series 2016A-1 Bonds only, a Certificate of the Authorized Officer of the Trust stating that the information contemplated by Section 1.03 hereof has been inserted in this Bond Resolution in accordance with the terms and provisions of Section 1.03 hereof;

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

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

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

SECTION 2.03. Series 2016A-1 Bonds.

1. A Series of Bonds entitled to the benefit, protection and security of this Bond Resolution is hereby authorized in the aggregate principal amount of $__________ for the purpose of funding the Loans to be made pursuant to the Loan Agreements. Such Series of Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, “Environmental Infrastructure Bonds, Series 2016A-1”; provided, however, that, in the event that an Authorized Officer determines, after consultation with Bond Counsel and the Office of the Attorney General of the State, that it is in the
best interests of the Trust to designate such Series of Bonds as “Green Bonds”, such Series of Bonds shall be designated by the title, “Environmental Infrastructure Bonds, Series 2016A-1 (Green Bonds)”.  

2. The Series 2016A-1 Bonds shall be dated and shall bear interest from May 26, 2016 until their final maturity thereof, except as otherwise provided in Section 3.01 of this Bond Resolution. The Series 2016A-1 Bonds shall mature on the dates and in the principal amounts, and shall bear interest payable semiannually on March 1 and September 1 in each year, commencing September 1, 2016, until final maturity (stated or otherwise) thereof, at the respective rates per annum calculated on the basis of twelve 30-day months, shown below:

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3. Individual purchases of the Series 2016A-1 Bonds may be made in the principal amount of $5,000 or any whole multiples of $5,000. The Series 2016A-1 Bonds shall be initially issued in one certificate for each aggregate principal amount of the stated maturity thereof. Unless the Trust shall otherwise direct, the Series 2016A-1 Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letter “R” and such other letter as determined by the Trustee prefixed to the number. Subject to the provisions of this Bond Resolution, the form of the Series 2016A-1 Bonds and the Trustee’s certificate of authentication shall be substantially in the form set forth in Section 14.01.

4. The principal or Redemption Price of the Series 2016A-1 Bonds shall be payable to the Holders thereof upon presentation and surrender thereof at the Principal Office of U.S. Bank National Association, as Trustee, or its successors and assigns. The principal or Redemption Price of all Series 2016A-1 Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Trustee or Trustees as permitted by this Bond Resolution. Interest on the Series 2016A-1 Bonds shall be payable by check or draft of the Trustee, mailed or transmitted, respectively, to the Holders thereof as the same appear as of the Record Date on the books of the Trust maintained by the Trustee. However, so long as the Series 2016A-1 Bonds are held in book-entry-only form pursuant to Section 2.05 hereof, the provisions of Section 2.05 shall govern the payment of principal or Redemption Price, if any, of, and interest on, the Series 2016A-1 Bonds.

5. The Series 2016A-1 Bonds maturing on or before September 1, [2026] shall not be subject to redemption prior to their respective stated maturity dates. The Series 2016A-1 Bonds maturing on or after September 1, [2027] shall be subject to redemption prior to their respective stated maturity
dates, on or after September 1, [2026], at the option of the Trust, upon the terms set forth in this subsection and upon notice as provided in Article IV hereof, either in whole on any date, or in part, by lot within any maturity or maturities determined by the Trust, on any Interest Payment Date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.

6. Reserved.

7. The proceeds of the Series 2016A-1 Bonds of $_______ (par amount of the Series 2016A-1 Bonds of $_______) (which includes the good faith deposit of the successful bidder for the Series 2016A-1 Bonds in the amount of $_______ in accordance with Section 1.03 hereof), plus accrued interest of $_______, plus net original issue premium of $_______, less underwriter’s discount of $_______) shall be received by the Trustee and applied simultaneously with the delivery of such Bonds as follows:

(a) There shall be deposited (i) in the SRF Subaccount of the Interest Account in the Debt Service Fund, $_______, (ii) in the non-SRF Subaccount of the Interest Account in the Debt Service Fund, $_______, (iii) in the SRF Subaccount of the Capitalized Interest Account in the Debt Service Fund, $_______, which includes accrued interest of $_______, attributable to SRF Borrowers that are capitalizing interest, for application to the payment of a portion of the interest to accrue on the Series 2016A-1 Bonds from May 26, 2016 through and including _________, of which $_______ shall be deposited in the Clean Water SRF Subaccount (including $_______ of accrued interest), and $_______ shall be deposited in the Drinking Water SRF Subaccount (including $_______ of accrued interest), and (iv) in the non-SRF Subaccount of the Capitalized Interest Account in the Debt Service Fund, $_______.

(b) There shall be deposited in the Costs of Issuance Account in the Operating Expense Fund an amount equal to $_______, of which $_______ shall be transferred by the Trustee immediately via interaccount transfer to the account of the Trust with U.S. Bank National Association, for application by the Trust to the payment of certain Costs of Issuance incurred in connection with the issuance of the Series 2016A-1 Bonds;

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

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

(f) The remaining balance of the proceeds of the Series 2016A-1 Bonds in the amount of $_____________ shall be deposited in the Project Fund on behalf of each Borrower, each deposit of which shall be deposited in the Clean Water Subaccounts of the SRF and non-SRF Project Loan Accounts, as indicated below, unless designated by “DW” below, in which case such amount shall be deposited in the Drinking Water SRF Subaccounts of the SRF and non-SRF Project Loan Accounts, as indicated below. $_________ shall be allocated to the SRF Subaccount, $_________ of which shall be allocated to the Clean Water SRF Subaccount and $_________ of which shall be allocated to the Drinking Water SRF Subaccount:

SRF Project Loan Accounts:

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<tr>
<th>Borrower</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Brielle Borough (1308001-002, 1308001-003)</td>
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<tr>
<td>Burlington Township (S340712-14)</td>
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<tr>
<td>Califon Borough (S340431-01)</td>
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<td>Cape May County Municipal Utilities Authority (S340661-22)</td>
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<tr>
<td>Gloucester City (S340958-06)</td>
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<tr>
<td>Gloucester Township (S340364-14)</td>
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<tr>
<td>Jersey City Municipal Utilities Authority (0906001-011)</td>
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<tr>
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<tr>
<td>Manasquan Borough (1327001-001A)</td>
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<tr>
<td>Marlboro Township (1328002-002)</td>
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<td>Middlesex County Utilities Authority (S340699-15)</td>
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<td>Milltown Borough (S340102-03)</td>
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<td>Old Bridge Municipal Utilities Authority (S340945-08-1)</td>
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<tr>
<td>Old Bridge Municipal Utilities Authority (1209002-011, 1209002-012)</td>
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<td>Perth Amboy City (1216001-006, 1216001-007)</td>
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<td>Roosevelt Borough (1341001-001, 1341001-004)</td>
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<tr>
<td>Ventnor City (S340667-02)</td>
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<tr>
<td>Wanaque Valley Regional Sewerage Authority (S340780-04 (DRAA))</td>
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<tr>
<td>Warren Township Sewerage Authority (S340964-01, S340964-02)</td>
<td>0.00</td>
</tr>
</tbody>
</table>

8. Reserved.

9. Upon the authentication and delivery of the Series 2016A-1 Bonds, the Trust shall furnish to the Trustee:

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

(b) an opinion of Bond Counsel to the effect that under existing law (i) interest on the Series 2016A-1 Bonds is excluded from gross income for federal income tax purposes, and (ii) interest on the Series 2016A-1 Bonds and any gain on the sale thereof are excluded from gross income under the New Jersey Gross Income Tax Act; and

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

SECTION 2.04. Refunding Bonds.

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

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

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

(b) If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 12.01 to the Holders of the Bonds being refunded;

(c) Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded together with accrued interest on such Bonds to the redemption date or dates, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) qualifying Investment Securities in such principal amounts of such maturities, bearing such interest and otherwise having such terms and qualifications and any moneys as shall be
necessary to comply with the provisions of subsection 2 of Section 12.01, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 of Section 12.01;

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

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

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

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

SECTION 2.05. Book-Entry-Only System.

1. Except as provided in subparagraph 3 of this Section 2.05, the registered Holder of all of the Series 2016A-1 Bonds shall be, and the Series 2016A-1 Bonds shall be registered in the name of, Cede & Co. as nominee of DTC. Payment of semiannual interest for any Series 2016A-1 Bond shall be made by wire transfer to the account of Cede & Co. on the Interest Payment Date for the Series 2016A-1 Bonds at the address indicated for Cede & Co. in the registry books of the Trust kept by the Trustee.

2. The Series 2016A-1 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 2016A-1 Bonds. Upon initial issuance, the ownership of each such Series 2016A-1 Bond shall be registered in the registry books of the Trust kept by the Trustee in the name of Cede & Co., as nominee of DTC. With respect to Series 2016A-1 Bonds registered in the registry books kept by the Trustee in the name of Cede & Co., as nominee of DTC, the Trust and any Fiduciary shall have no responsibility or obligation to any participant or to any beneficial owner of such Series 2016A-1 Bonds. Without limiting the immediately preceding sentence, the Trust and any Fiduciary shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any participant with respect to any beneficial ownership interest in the Series 2016A-1 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 2016A-1 Bonds, including any notice of redemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than DTC, of any amount with respect to the principal or Redemption Price of, or interest on, the Series 2016A-1 Bonds. The Trust and any Fiduciary may treat as, and deem DTC to be, the absolute owner of each Series 2016A-1 Bond for the purpose of payment of the principal or Redemption Price of, and interest on, each such Series 2016A-1 Bond, for the purpose of giving notices
of redemption and other matters with respect to such Series 2016A-1 Bonds, for the purpose of registering transfers with respect to such Series 2016A-1 Bonds and for all other purposes whatsoever. The Paying Agent shall pay all principal or Redemption Price of, and interest on, the Series 2016A-1 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 or Redemption Price of, and interest on, the Series 2016A-1 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive a Series 2016A-1 Bond evidencing the obligation of the Trust to make payments of principal or Redemption Price of, and interest on, the Series 2016A-1 Bonds pursuant to this Bond Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the term “Cede & Co.” in this Bond Resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to the Series 2016A-1 Bonds at any time by giving written notice to the Trust and the Fiduciaries and discharging its responsibilities with respect thereto under applicable law.

(b) 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 2016A-1 Bonds if the Trust so determines, and shall terminate the services of DTC with respect to the Series 2016A-1 Bonds upon receipt by the Trust and the Fiduciaries of written notice from DTC to the effect that DTC has received written notice from participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Series 2016A-1 Bonds to the effect that: (i) DTC is unable to discharge its responsibilities with respect to the Series 2016A-1 Bonds; or (ii) a continuation of the requirement that all of the Outstanding Series 2016A-1 Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2016A-1 Bonds.

(c) Upon the termination of the services of DTC with respect to the Series 2016A-1 Bonds pursuant to subsection 2.05(3)(b)(ii) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2016A-1 Bonds pursuant to subsection 2.05(3)(a) or subsection 2.05(3)(b)(i) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Trust, is willing and able to undertake such functions upon reasonable and customary terms, the Series 2016A-1 Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Series 2016A-1 Bonds shall designate, in accordance with the provisions of Article II hereof.

4. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any Series 2016A-1 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or Redemption Price of, and interest on, such Series 2016A-1 Bond and all notices with respect to such Series 2016A-1 Bond shall be made and given, respectively, to DTC as provided in the representation letter of the Trust and the Trustee addressed to DTC with respect to the Series 2016A-1 Bonds.

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

GENERAL TERMS AND PROVISIONS OF BONDS

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

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

2. The Bonds of each Series shall be issued only in the form of fully registered Bonds without coupons in denominations of, subject to the denominations required by Section 2.03(3) and 2.05(2) hereof with regard to the initial denominations of the Series 2016A-1 Bonds, $5,000 or any whole multiple thereof. The Bonds of each Series shall be in substantially the form set forth in Section 14.01 or substantially in the form set forth in the Supplemental Resolution authorizing such Series.

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

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

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

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

SECTION 3.03. Execution and Authentication.

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

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

SECTION 3.04. Transfer and Registry.

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

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

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

SECTION 3.07. Temporary Bonds.

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

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

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

REDEMPTION OF BONDS PRIOR TO MATURITY

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

SECTION 4.02. Optional and Mandatory Sinking Fund Redemption.

1. The Series 2016A-1 Bonds shall be subject to optional redemption and mandatory sinking fund redemption in accordance with the provisions of this Bond Resolution, including, without limitation, Sections 2.03(5) and (6), respectively, hereof.

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

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

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

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

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

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

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

REVENUES AND FUNDS

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

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

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

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

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

5. Project Fund, to be held by the Trustee, which shall consist of a separate Project Loan Account established (i) for each Borrower to which a single Loan is to be made from a portion of the proceeds of the Series 2016A-1 Bonds and, if applicable, (ii) for each Loan with respect to any Borrowers that have received two or more loans from a portion of the proceeds of the Series 2016A-1 Bonds, each of which Project Loan Accounts shall be designated either “SRF” or “non-SRF” pursuant to Section 5.02 hereof, and each of which Accounts shall be subdivided into a Clean Water Subaccount and a Drinking Water Subaccount to the extent necessary and/or appropriate; provided, however, that, to the extent a single Loan is made by the Trust to finances multiple projects, the Trustee shall, upon the direction of an Authorized Officer of the Trust, establish Subaccounts within a particular Project Loan Account with respect to each individual project;

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

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

8. Pursuant to a certificate of an Authorized Officer of the Trust, the Trust may direct the Trustee to establish additional funds, accounts within funds, and subaccounts within accounts, in the manner set forth in such certificate.
Each of the funds and accounts created by this Bond Resolution, other than the Operating Expense Fund, the Project Fund, and the Rebate Fund is hereby pledged to, and charged with, the payment of the principal or Redemption Price of and interest on the Bonds as the same shall become due.

SECTION 5.02. Project Fund.

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

2. There shall be deposited into each Project Loan Account from the proceeds of the Series 2016A-1 Bonds the respective amounts set forth in the Certificate of an Authorized Officer of the Trust delivered to the Trustee pursuant to Section 2.03(7)(f) hereof, which Certificate shall also designate each such Project Loan Account as “SRF” or “non-SRF”.

3. Subject to Section 5.09, the Trustee shall make payments from a Project Loan Account for Costs of a Borrower’s Project in the amounts, at the times, in the manner and on the other terms and conditions set forth in this Section 5.02 and in such Borrower’s Loan Agreement. Before any such payment shall be made, the Borrower shall file with the Trustee its requisition therefor, approved by the Trust, which requisition shall be on a form as determined by the Executive Director or other Authorized Officer of the Trust. The Trustee shall issue its check for each payment required by such requisition or shall by interbank transfer or other method arrange to make the payment required by such requisition.

4. The Trust shall file with the Trustee a Certificate, signed by an Authorized Officer of the Trust, with respect to each Project Loan Account directing the Trustee to transfer to the Debt Service Fund to be applied as a credit against and considered as Trust Bond Loan Repayments due from the respective Borrower in whose favor any such Project Loan Account was established (a) all of the moneys remaining in any such Project Loan Account at the times and upon satisfaction of the conditions set forth in Section 5.02(4)(i) below, (b) all or a portion of the Net Earnings retained in any such Project Loan Account at the times and upon satisfaction of the conditions set forth in Section 5.02(4)(ii) below, or (c) all or a portion of the original principal amount deposited in accordance with Section 2.03(7)(e) hereof and remaining in any such Project Loan Account at the times and upon satisfaction of the conditions set forth in Section 5.02(4)(iii) below.

   (i) The Trust shall file the Certificate ordering the transfer referred to in Section 5.02(4)(a) above when (A) the Trust has approved all requisitions to be paid from any such Project Loan Account that are eligible to be approved under the Regulations, or (B) such Borrower has prepaid all of its Loan pursuant to Section 3.03A or Section 3.07 of such Borrower’s respective Loan Agreement. Such Certificate shall also state (X) that the proceeds of the Loan have been fully disbursed to the extent allowed by the Regulations, (Y) if any moneys remain on deposit in the Project Loan Account, set forth a schedule indicating when and how much of the remaining moneys are to be transferred to the Debt Service Fund and applied as a credit against and considered as Trust Bond Loan Repayments due from the respective Borrower in whose favor the Project Loan Account was established, and (Z) with respect to clause (B) above, and notwithstanding the provisions hereof to the contrary, whether the Trust shall implement a redemption of Bonds pursuant to the terms hereof, which redemption shall be implemented to the extent provided by the terms of Section 3.03A and/or Section 3.07 of the Applicable Borrower’s respective Loan Agreement.

   (ii) The Trust shall file the Certificate ordering the transfer referred to in Section 5.02(4)(b) above when the Trust has been notified that (A) all of the contracts for completion of the respective Borrower’s Project must have been awarded, (B) the low bid building cost must
have been established by the Department and any dispute between the Department and the Borrower regarding same must be settled and (C) the last date of the original draw schedule set forth in Exhibit C to the Borrower’s Loan Agreement has passed. If any moneys that constitute Net Earnings in the Project Loan Account remain on deposit in the Project Loan Account after such initial transfer to the Debt Service Fund, such Certificate shall also set forth a schedule indicating when and how much of the remaining moneys that constitute Net Earnings in the Project Loan Account are to be transferred to the Debt Service Fund and applied as a credit against and considered as Trust Bond Loan Repayments due from the respective Borrower in whose favor the Project Loan Account was established.

(iii) The Trust shall file the Certificate ordering the transfer referred to in Section 5.02(4)(c) above when the Trust has been notified that (A) all of the contracts for completion of the respective Borrower’s Project must have been awarded, (B) the low bid building cost must have been established by the Department and any dispute between the Department and the Borrower regarding same must be settled, (C) the Project must be sufficiently completed such that the Department has authorized the Borrower to commence operation of the Borrower’s Project and (D) the last date of the original draw schedule set forth in Exhibit C to the Borrower’s Loan Agreement has passed. If any moneys that constitute all or a portion of the original principal amount deposited in any such Project Loan Account in accordance with Section 2.03(7)(e) hereof remain on deposit in the Project Loan Account, such Certificate shall also set forth a schedule indicating when and how much of the remaining moneys that constitute all or a portion of the original principal amount deposited in any such Project Loan Account in accordance with Section 2.03(7)(e) hereof are to be transferred to the Debt Service Fund and applied as a credit against and considered as Trust Bond Loan Repayments due from the respective Borrower in whose favor the Project Loan Account was established.

(iv) The Trustee shall transfer from the Project Loan Accounts to the SRF Account or the non-SRF Account of the Debt Service Fund, as applicable, the amounts contained in any such Certificate of the Trust at the times indicated therein.

5. Disbursements from the respective Project Loan Accounts shall not be made by the Trustee prior to the dates set forth in Exhibit C to each respective Loan Agreement entered into by each respective Borrower, unless accompanied by (i) a Certificate of authorization executed by an Authorized Officer of the Trust, which Certificate may be issued at the sole discretion of the Trust, (ii) an opinion of Bond Counsel or other Counsel to the effect that such disbursement will not adversely affect the exclusion of interest on the Series 2016A-1 Bonds from the gross income of the holders thereof for federal income tax purposes, (iii) an amendment to each respective Loan Agreement concerning such early disbursement in accordance with Section 11.12 hereof, and (iv) a Certificate of an Authorized Representative of any Borrower setting forth such Borrower’s agreement that all costs and expenses incurred by the Trust, any such Borrower, any of their respective counsel or other professional advisors or any other costs or expenses directly or indirectly related to such advance disbursement, including without limitation any costs or loss of investment earnings related to the early redemption of Investment Securities made necessary to effect such early disbursement, shall be borne solely by any such Borrower.

SECTION 5.03. Operating Expense Fund.

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

2. In addition to the amounts deposited in the Costs of Issuance Account from the proceeds of the Series 2016A-1 Bonds pursuant to Section 2.03(7)(b), there shall be deposited in the Costs of
Issuance Account from the proceeds of each Series of Refunding Bonds, the amounts set forth for deposit therein pursuant to the Supplemental Resolutions authorizing the issuance of each such Series of Refunding Bonds.

3. The Trust shall make payments from the Costs of Issuance Account and, if necessary, from its funds and accounts not subject to the pledge and lien of this Bond Resolution, in the amounts, at the times, in the manner and on the other terms and conditions as the Trust shall determine to be fair and reasonable in the payment of the particular items of the Costs of Issuance relating to the issuance of a particular Series of Bonds and, in the case of the Series 2016A-1 Bonds, in accordance with the provisions of the Tax Certificate. Upon the payment of all Costs of Issuance as evidenced by a Certificate of an Authorized Officer of the Trust to such effect, the amounts remaining in the Costs of Issuance Account, if any, shall be transferred (i) to the Debt Service Fund and deposited into the Interest Account thereof to pay the interest and to the extent available therefor, deposited in the Principal Account thereof to pay the principal of the Bonds due and owing on the immediately succeeding Interest Payment Date, in which case such amounts shall be credited to the Trust Bond Loan Repayments of Borrowers in the percentages set forth on Schedule I-B attached hereto, or (ii) as otherwise set forth in a Certificate of an Authorized Officer of the Trust.

4. The Trustee shall deposit in the Administrative Fee Account the Administrative Fees received by the Trustee on behalf of the Trust pursuant to the Loan Agreements. The Trust shall utilize moneys on deposit in the Administrative Fee Account from time to time to pay the operating expenses of the Trust; provided, however, that in any Bond Year the moneys on deposit in the Administrative Fee Account shall be applied by the Trust in satisfaction of the operating expenses of the Trust arising under this Bond Resolution in such Bond Year before such moneys may be applied in satisfaction of the other operating expenses of the Trust arising in such Bond Year.

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

1. The Trustee shall collect from each Borrower all required Trust Bond Loan Repayments, State Loan Repayments, Administrative Fee payments and State Administrative Fee payments, when due, in the amounts and at the times established by the Trust in a Certificate of an Authorized Officer of the Trust. The Trust shall use its best efforts to provide such Certificate to the Trustee no less than sixty (60) days prior to the date on which any such payments are due and payable. In collecting such payments from each Borrower, the Trustee shall rely exclusively upon such Certificate of an Authorized Officer of the Trust. To the extent the Trustee deems it necessary or appropriate, the Trustee may, and is hereby authorized to, establish a Clearing Account for the purpose of administering the collection of such payments. The Trustee hereby acknowledges that (a) all amounts so collected shall be collected by the Trustee on behalf of, and for the benefit of, the Trust and the State, to the extent of their respective interests therein, (b) in making such collections, the Trustee acts as an agent for the Trust and the State, to the extent of their respective interests therein, (c) all amounts so collected by the Trustee are the property of the Trust and the State, to the extent of their respective interests therein, and not of the Trustee, (d) all such amounts, when received by the Trustee, are deemed to be received by the Trust and the State, to the extent of their respective interests therein, determined in accordance with paragraph (3) below, and (e) the amounts deemed received by the Trust as Trust Bond Loan Repayments and by the State as State Loan Repayments, to the extent deposited in accordance with paragraph (3) below, are, immediately upon deposit therein, deemed to be Revenues, and are included in the Trust Estate established and pledged as security for the Series 2016A-1 Bonds under this Bond Resolution.

2. Promptly after collection of each Trust Bond Loan Repayment, State Loan Repayment, Administrative Fee payment, State Administrative Fee payment or other required payment from a
Borrower, the Trustee shall credit such Borrower with each of the respective sums collected. Moneys received from each Borrower with respect to a particular payment date shall be credited, first, to the payment then due (other than the Administrative Fee payment) under the Loan Agreement, second, to the Administrative Fee payment then due under the Loan Agreement, third, to the payment then due (other than the State Administrative Fee payment, if any) under the State Loan Agreement, and, fourth, to the State Administrative Fee payment, if any, then due under the State Loan Agreement.

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

   (a) First, (i) into the Trust Bond Loan Repayments Account within the Revenue Fund established under this Bond Resolution, a sum or sums from moneys credited as Trust Bond Loan Repayments equal to the amount required for the next immediate debt service payment date for the Series 2016A-1 Bonds, and (ii) into the State Loan Repayments Account within the Revenue Fund established under this Bond Resolution, all moneys credited as State Loan Repayments,

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

   (c) (i) If, upon depositing the required amounts pursuant to paragraphs (3)(a) and (3)(b), above, the amounts on deposit in the Trust Bond Loan Repayments Account within the Revenue Fund, and on the date that is three (3) Business Days prior to the next immediate debt service payment date for the Series 2016A-1 Bonds, are not sufficient to make all of the payments due with respect to the Bonds on such date, then the Trustee shall transfer immediately from the State Loan Repayments Account within the Revenue Fund to the Trust Bond Loan Repayments Account within the Revenue Fund an amount equal to the difference between the amount on deposit in the Trust Bond Loan Repayments Account within the Revenue Fund and the amount required to make all of the payments due to the next immediate debt service payment date for the Series 2016A-1 Bonds;

   (ii) If, upon depositing the required amounts pursuant to paragraphs (3)(a) and (3)(b), above and after giving effect to any transfers required by paragraph 3(c)(i) above, the amounts on deposit in the Trust Bond Loan Repayments Account within the Revenue Fund are sufficient to make all of the payments due with respect to the Bonds on such date, then the Trustee shall transfer immediately to the Master Program Trustee for deposit in the Master Program Trust Account from moneys on deposit in the State Loan Repayments Account within the Revenue Fund and credited as State Loan Repayments only corresponding to the next immediate debt service payment date for the Series 2016A-1 Bonds, for disbursement in accordance with the terms and conditions of the Master Program Trust Agreement;

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

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

4. If a payment of amounts due under a Loan Agreement or a State Loan Agreement is not received on or before the required payment date, the Trustee shall notify the Borrower and, if applicable, the trustee under the Borrower Bond Resolution (as such term is defined in the Loan Agreement) in writing within five days after such payment date that the payment is past due. A copy of said notice shall be provided at the same time to the Trust and the State. If a payment is not received from the Borrower within ten days of the date when such payment is due, the Trustee shall promptly notify the Trust and the State in writing.

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

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

SECTION 5.05. Revenue Fund.

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

3. On or prior to each redemption date, other than a Sinking Fund Installment due date, the Trustee shall transfer from moneys on deposit in the SRF Account and the non-SRF Account of the Trust Bond Loan Repayments Account within the Revenue Fund (i) to the SRF Subaccount and the non-SRF Subaccount, as applicable, of the Redemption Account in the Debt Service Fund an amount equal in the aggregate to the Redemption Price due and payable on all Bonds to be redeemed on such redemption date and (ii) to the SRF Subaccount and the non-SRF Subaccount, as applicable, of the Interest Account in the Debt Service Fund an amount equal in the aggregate to the interest accrued and not paid and to accrue on such Bonds to such redemption date. Money received from a Borrower prior to March 1, 2025 that represents a prepayment of its Loan as allowed under its respective Loan Agreement shall be held in the accounts set forth in a Certificate of an Authorized Officer of the Trust prior to September 1, 2025, the first optional redemption date.

4. All Revenues representing repayments made pursuant to the second paragraph of Section 3.04 of any Loan Agreement for the replenishment of the Debt Service Reserve Fund shall be immediately transferred by the Trustee for deposit to the SRF Account or the non-SRF Account, as applicable, of the Debt Service Reserve Fund.

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

SECTION 5.06. Debt Service Fund.

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

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

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

SECTION 5.07. Debt Service Reserve Fund.
1. Each Rating Agency that has been requested by the Trust to publish a rating for the Series 2016A-1 Bonds has determined that such Rating Agency shall assign to the Series 2016A-1 Bonds, upon the issuance thereof, the highest rating assigned to any such debt instruments by such Rating Agency notwithstanding the fact that the Debt Service Reserve Requirement with respect to the Series 2016A-1 Bonds is equal to $0.00. Therefore, in accordance with the last sentence of the definition of “Debt Service Reserve Requirement” set forth in Section 1.01 of this Resolution, the Debt Service Reserve Requirement with respect to the Series 2016A-1 Bonds pursuant to the terms of this Resolution shall be equal to $0.00 during the entire period during which the Series 2016A-1 Bonds remain Outstanding. To the extent any moneys are on deposit in the Debt Service Reserve Fund, with respect to Refunding Bonds or otherwise, such moneys shall be applied solely as provided in this Section.

2. Whenever a Borrower shall notify the Trust or the Trustee in writing, or whenever the Trust or Trustee shall determine, that a Borrower is deficient in the payment of a Trust Bond Loan Repayment and that such deficiency cannot be satisfied from other Loan Repayments, State Loan Repayments or other amounts payable thereunder that have been transferred to the Revenue Fund or the Debt Service Fund and that such deficiency cannot be satisfied from amounts payable by the Master Program Trustee from amounts on deposit in the Master Program Trust Account (and all Subaccounts as defined therein) in accordance with the terms of the Master Program Trust Agreement, the Trustee shall transfer from the SRF Account or non-SRF Account, as applicable, of the Debt Service Reserve Fund on the Interest Payment Date or maturity date or Sinking Fund Installment due date, as the case may be, the amount of such deficiency to the appropriate account in the Debt Service Fund; provided, however, that the Trustee may only transfer such amount which, when added to the difference between (i) all prior transfers made from the Debt Service Reserve Fund as a result of deficient Trust Bond Loan Repayments by said Borrower and (ii) all repayments made by, or on behalf of, the Borrower pursuant to the second paragraph of Section 3.04 of the Applicable Loan Agreement, does not exceed said Borrower’s pro rata share of the Debt Service Reserve Fund. A Borrower’s pro rata share of the Debt Service Reserve Fund shall be an amount equal to the product of: (a) the Debt Service Reserve Requirement and (b) said Borrower’s Allocable Share as set forth on Schedule I attached hereto.

3. Whenever the Trustee is notified by the Trust that the amount, if any, in the Debt Service Reserve Fund funded with Bond proceeds and allocable to any Reserve Capacity Borrower, together with the amount in the Debt Service Fund allocable to any such Reserve Capacity Borrower, is sufficient to pay in full all Outstanding Bonds allocable to any such Reserve Capacity Borrower, is sufficient to pay in full all Outstanding Bonds allocable to any such Reserve Capacity Borrower in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), the Trustee shall transfer such amount on deposit in the Debt Service Reserve Fund to the Debt Service Fund to be applied as a credit to the final Trust Bond Loan Repayments of any such Reserve Capacity Borrower.

4. After any transfer made pursuant to Section 5.07(3) herein and upon the cancellation of all Series 2016A-1 Bonds and any Refunding Bonds in accordance with Section 3.08 hereof, the Trustee shall transfer all amounts in the Debt Service Reserve Fund, if any, to the Trust for application by the Trust in accordance with the Act and any other applicable law for any of the Trust’s corporate purposes allowed thereby.

5. (a) Whenever any Reserve Capacity Borrower that is no longer paying the Interest Portion payable by said Reserve Capacity Borrower from the Capitalized Interest Account of the Debt Service Fund that is allocable to said Reserve Capacity Borrower, if applicable, has paid or prepaid its loan in full (less only the portion of the Debt Service Reserve Fund that is funded with Bond proceeds allocable to such Reserve Capacity Borrower) in accordance with all of the terms of its Loan Agreement (including, without limitation, obtaining the Trust’s consent to any such prepayment, where applicable), the Trust shall notify the Trustee (i) of the Trust’s consent to such prepayment, where applicable, and (ii)
that the amount in the Debt Service Reserve Fund funded with moneys other than Bond proceeds allocable to any such Reserve Capacity Borrower shall be transferred to the Trust for any of its lawful corporate purposes pursuant to the instructions of a Certificate of an Authorized Officer of the Trust. The portion of the Debt Service Reserve Fund that is funded with Bond proceeds allocable to such Reserve Capacity Borrower shall be transferred (i) to the Debt Service Fund for redemption or payment of the Bonds attributable to such Borrower’s Loan or (ii) in accordance with a Certificate of an Authorized Officer of the Trust to effect the defeasance of Bonds attributable to such Borrower’s Loan in accordance with Article XII hereof, in either case to be applied (along with the Net Earnings thereon) as a credit to the final Trust Bond Loan Repayments of such Reserve Capacity Borrower. Prior to any such transfer described herein, investments held in the Debt Service Reserve Fund shall be liquidated to the extent necessary in order to provide for the transfer described herein.

(b) Whenever any Borrower that is not a Reserve Capacity Borrower and that is no longer paying the Interest Portion payable by said Borrower from the Capitalized Interest Account of the Debt Service Fund that is allocable to said Borrower, if applicable, has paid or prepaid its loan in full in accordance with all of the terms of its Loan Agreement (including, without limitation, obtaining the Trust’s consent to any such prepayment, where applicable), the Trust shall notify the Trustee (i) of the Trust’s consent to such prepayment, where applicable, and (ii) that the amount in the Debt Service Reserve Fund allocable to any such Borrower shall be transferred to the Trust for any of its lawful corporate purposes pursuant to the instructions of a Certificate of an Authorized Officer of the Trust. Prior to any such transfer described herein, investments held in the Debt Service Reserve Fund shall be liquidated to the extent necessary in order to provide for the transfer described herein.

6. Whenever the Trustee determines that the amount of money in the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement on September 1 on any valuation date, such excess money shall be transferred to the Trust for application by the Trust in accordance with the Act and any other applicable law for any of the Trust’s corporate purposes allowed thereby.

7. Investment of the Debt Service Reserve Fund shall be valued every ten (10) years, at the market value thereof, exclusive of accrued interest. Notwithstanding anything to the contrary in Section 5.10 hereof, if a decline in the market value of securities on deposit in the Debt Service Reserve Fund causes the marked to market amount on deposit in the Debt Service Reserve Fund to be below the Debt Service Reserve Requirement, such deficiency shall be restored by retaining all or a portion of each Borrower’s Allocable Share of Net Earnings thereon until the Debt Service Reserve Requirement has been met. When and to the extent market conditions change thereafter, any such retained Net Earnings (and not the corpus of the Debt Service Reserve Fund) not needed to satisfy the Debt Service Reserve Requirement shall be credited to the Trust Bond Loan Repayments of the Borrowers in accordance with their Allocable Share as set forth in Section 5.10 hereof. Investments purchased with funds on deposit in the Debt Service Reserve Fund shall have a term to maturity of not greater than ten (10) years.

SECTION 5.08. General Fund. On the first day of each Bond Year beginning September 1, 2016, the Trustee shall deposit in the SRF Account and non-SRF Account, as applicable, of the General Fund all moneys then remaining in the Trust Bond Loan Repayments Account within the Revenue Fund except for those moneys identified as credits under Section 5.10 hereof to be transferred to the Interest Account on the second day of such Bond Year; provided, however, that (i) to the extent such date is a valuation date, the moneys then on deposit in the Debt Service Reserve Fund shall be at least equal to the Debt Service Reserve Requirement, (ii) all transfers from the Trust Bond Loan Repayments Account within the Revenue Fund required pursuant to subsections (1), (2), (3) and (4) of Section 5.05 shall have been made, and (iii) all funds required to be on deposit in the Revenue Fund pursuant to Section 5.05(2) are on deposit in the Revenue Fund. Moneys on deposit in the General Fund that shall not be required to be transferred to the Interest Account in the Debt Service Fund pursuant to Section 5.10 may be applied
by the Trust, upon written requisition from the Trust to the Trustee, in accordance with the Act and, in the case of proceeds of the Series 2016A-1 Bonds, the Tax Certificate, for any of its corporate purposes. Such requisition shall state that the Trust is requesting such moneys pursuant to the provisions of this Section 5.08.

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

SECTION 5.10. Investments.

1. Generally. All moneys in any of the Funds and Accounts created under this Bond Resolution, other than the Operating Expense Fund and the Accounts established therein, shall be invested by the Trustee as directed by an Authorized Officer of the Trust in writing, subject to the further provisions of this Section. Each such direction, including, without limitation, the establishment and payment of the purchase price of any such investment, shall be consistent with then current procurement and investment policies and procedures of the Trust. The Trustee may conclusively rely upon such written direction of an Authorized Officer of the Trust as to any and all investments and as to the compliance of any investments with the procurement and investment policies and procedures of the Trust. Moneys in the Operating Expense Fund shall be invested by the Trust in accordance with the provisions of this Section.

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

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

The Trustee may act as principal or agent in the acquisition or disposition of any Investment Securities. The Trustee shall exercise its best efforts to sell at the best price obtainable, or present for redemption, any Investment Securities to the credit of any Fund or Account created under this Bond Resolution, other than the Operating Expense Fund, the Accounts established therein and the Rebate Fund, whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from such Fund or Account, and the Trustee shall not be liable for any loss resulting from such necessary sale so made of such investments.
2. **Net Earnings on the Debt Service Reserve Fund During the Capitalized Interest Period.** Net Earnings from the investment of the Debt Service Reserve Fund during the capitalized interest period (from September 1, 2016 and on each Interest Payment Date through and including September 1, 2018) shall be applied as follows:

(a) **Borrowers that are Capitalizing Interest.** Commencing September 1, 2016 and on each Interest Payment Date thereafter through and including September 1, 2018, the Trustee shall transfer the amounts of Net Earnings from the investment of moneys in the Debt Service Reserve Fund set forth in Section 2.03(7)(a) of this Bond Resolution to the Capitalized Interest Account to be applied to the payment of a portion of the interest due on the Series 2016A-1 Bonds on such Interest Payment Date.

(b) **Borrowers that are not or are no Longer Capitalizing Interest.** Commencing September 1, 2016 and on each Interest Payment Date thereafter through and including September 1, 2018, the Trustee shall transfer the balance of the Net Earnings from the investment of moneys in the SRF and non-SRF portions of the Debt Service Reserve Fund respectively, to the SRF Subaccount and the non-SRF Subaccount, as applicable, of the Interest Account in the Debt Service Fund and apply such amounts as credits against the Interest Portion of the Trust Bond Loan Repayment due on any such immediately succeeding Interest Payment Date from those Borrowers (being the Borrowers that are not or are no longer capitalizing interest during the capitalized interest period) in the percentages applicable to the Borrowers set forth on Schedule II-A (for SRF Borrowers) and Schedule II-B (for non-SRF Borrowers) attached hereto; provided, however, that (i) the amount to be applied as a credit for each SRF Borrower as determined in the preceding clause of this sentence shall not exceed the product of the amount of such balance of Net Earnings and a fraction, the numerator of which shall equal the product of the amount of said Borrower’s Allocable Share of the Debt Service Reserve Fund (as determined pursuant to Schedule II-A) times the Debt Service Reserve Requirement attributable to all SRF Borrowers, less all transfers made by the Trustee in accordance with the provisions of Section 5.07 as of the last day of such Bond Year attributable to such Borrower, and the denominator of which shall equal the Debt Service Reserve Requirement attributable to all SRF Borrowers, less the aggregate amount of all transfers from the Debt Service Reserve Fund on behalf of all such Borrowers which have not been repaid as of the last day of such Bond Year; (ii) the amount to be applied as a credit for each non-SRF Borrower as determined above shall not exceed the product of the amount of such balance of Net Earnings and a fraction, the numerator of which shall equal the product of the amount of said Borrower’s Allocable Share of the Debt Service Reserve Fund (as determined pursuant to Schedule II-B) times the Debt Service Reserve Requirement attributable to all non-SRF Borrowers, less all transfers made by the Trustee in accordance with the provisions of Section 5.07 as of the last day of such Bond Year attributable to such Borrower, and the denominator of which shall equal the Debt Service Reserve Requirement attributable to all non-SRF Borrowers, less the aggregate amount of all transfers from the Debt Service Reserve Fund on behalf of all such Borrowers which have not been repaid as of the last day of such Bond Year; and (iii) if on any valuation date the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement other than as a result of any transfer required under Section 5.07 (to the extent applicable during the capitalized interest period), the Net Earnings on amounts on deposit in the Debt Service Reserve Fund shall be credited to and retained in the Debt Service Reserve Fund until the amount on deposit therein equals the Debt Service Reserve Requirement. The Trustee, simultaneously with each such transfer, shall notify the Trust in writing of all such Net Earnings so transferred. Such writings shall set forth the Net Earnings for each such fund or account created hereunder.

3. **Net Earnings on all Funds and Accounts Other than the Funds and Accounts not Subject to Transfer and Credit and Other than the Debt Service Reserve Fund During the Capitalized Interest Period.** Except as provided in the immediately preceding paragraph regarding the transfer of Net Earnings from the Debt Service Reserve Fund during the capitalized interest period, (i) all Net Earnings received in the first Bond Year and through September 1, 2035 from investment of moneys
in any fund or account created hereunder, other than the Operating Expense Fund, the Rebate Fund, the Project Fund and the respective accounts established therein and the Capitalized Interest Account in the Debt Service Fund, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount as applicable, of the Interest Account in the Debt Service Fund on September 2, 2016; (ii) all Net Earnings received from September 2 through and including March 1 in any Bond Year thereafter from the investment of moneys in any fund or account created under this Bond Resolution, other than the funds and accounts excepted in (i) above, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount as applicable, of the Interest Account in the Debt Service Fund on March 2 of any such Bond Year; and (iii) all Net Earnings received from March 2 through and including August 31 in any Bond Year thereafter and through September 1 of the next succeeding Bond Year from the investment of moneys in any fund or account created under this Bond Resolution, other than the funds and accounts excepted in (i) and (ii) above, shall be deposited or retained in the SRF Subaccount and non-SRF Subaccount as applicable, of the Interest Account in the Debt Service Fund on September 2 of any such next succeeding Bond Year. Notwithstanding the foregoing, to the extent on any valuation date the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement other than as a result of any transfer required under Section 5.07, the Net Earnings on amounts on deposit in the Debt Service Reserve Fund shall be credited to and retained in the Debt Service Reserve Fund until the amount on deposit therein equals the Debt Service Reserve Requirement.

4. Specific Borrower Credits. The Trustee, simultaneously with each transfer contemplated by Section 5.10(2) and (3) hereof, shall notify the Trust in writing of all such Net Earnings so transferred. Such writings shall set forth the Net Earnings for each such fund or account created hereunder. The Trust will credit the Interest Portion of the immediately succeeding Trust Bond Loan Repayment due from a Borrower, and to the extent moneys are available therefor, the principal portion of such Trust Bond Loan Repayments, if any, with the Net Earnings allocable to said Borrower and notify the Borrower and the Trustee of such credit. The Net Earnings allocable to a Borrower shall be the sum of: (a) said Borrower’s pro rata share of the Net Earnings derived in accordance with Section 5.10(3) hereof from the SRF or non-SRF Subaccounts or Accounts, as applicable, of the Interest Account, the Principal Account and the Redemption Account in the Debt Service Fund, the General Fund and the Revenue Fund (i.e., all funds and accounts created hereunder other than (i) those funds and accounts listed in Section 5.05 hereof, the Net Earnings on which accounts are not subject to transfer and credit in favor of Borrower Trust Bond Loan Repayments and (ii) the Debt Service Reserve Fund, the Net Earnings on which are subject to transfer and credit during the capitalized interest period in accordance with Sections 5.10(2) and 5.10(4(b) during the capitalized interest period and Sections 5.10(3), 4(c) and 4(d) for all other periods) in any Bond Year commencing on or after September 1, 2016, which pro rata share shall be equal to the product of: (i) such Net Earnings so derived from the SRF or non-SRF accounts of such funds or accounts, as applicable and (ii) said Borrower’s Allocable Share (as determined pursuant to Schedule I-A attached hereto); (b) during the period from the issuance of the Series 2016A-1 Bonds through and including September 1, 2018 (the capitalized interest period), said Borrower’s Net Earnings derived from the SRF or non-SRF Account, as applicable of the Debt Service Reserve Fund as set forth in Section 5.10(2) (a) (for Borrowers that are capitalizing interest) and 5.10(2)(b) for Borrowers that are not or are no longer capitalizing interest hereof; (c) after the capitalized interest period for SRF Borrowers, said Borrower’s pro rata share of the Net Earnings derived from the SRF Account of the Debt Service Reserve Fund in any Bond Year, which pro rata share shall be equal to the product of (i) such Net Earnings and (ii) a fraction, the numerator of which shall equal the product of the amount of said Borrower’s Allocable Share of the Debt Service Reserve Fund (as determined pursuant to Schedule I-A attached hereto) times the Debt Service Reserve Requirement attributable to all SRF Borrowers, less all transfers made by the Trustee in accordance with the provisions of Section 5.07 as the last day of such Bond Year attributable to such Borrower, and the denominator of which shall equal the Debt Service Reserve Requirement attributable to all SRF Borrowers less the aggregate amount of all transfers from the Debt Service Reserve Fund on behalf of all such SRF Borrowers which have not been repaid as of the last
day of such Bond Year; and (d) after the capitalized interest period for non-SRF Borrowers, said 
Borrower’s pro rata share of the Net Earnings derived from the non-SRF Account of the Debt Service 
Reserve Fund in any Bond Year, which pro rata share shall be equal to the product of (j) such Net 
Earnings and (ii) a fraction, the numerator of which shall equal the product of the amount of said 
Borrower’s Allocable Share of the Debt Service Reserve Fund (as determined pursuant to Schedule I-A 
attached hereto) times the Debt Service Reserve Requirement attributable to all non-SRF Borrowers, less 
all transfers made by the Trustee in accordance with the provisions of Section 5.07 as of the last day of 
such Bond Year attributable to such Borrower, and the denominator of which shall equal the Debt Service 
Reserve Requirement attributable to all non-SRF Borrowers less the aggregate amount of all transfers 
from the Debt Service Reserve Fund on behalf of all such non-SRF Borrowers which have not been 
repaid as of the last day of such Bond Year. Provided, however (with respect to (c) and (d) above), that 
during any valuation date in which the amount on deposit in the Debt Service Reserve Fund is less than 
the Debt Service Reserve Requirement other than as a result of any transfer required under Section 5.07, 
the Net Earnings on amounts on deposit in the Debt Service Reserve Fund shall be credited to and 
retained in the Debt Service Reserve Fund until the amount on deposit therein equals the Debt Service 
Reserve Requirement.

To the extent that an Authorized Officer of the Trust advises the Trustee in writing that the Trust 
has determined that the aggregate Net Earnings in all Funds and Accounts allocable to any individual 
Borrower on any Interest Payment Date, as calculated by the Trust pursuant to this paragraph, are less 
than the lesser of (I) one-twelfth (1/12) of the Trust Bond Loan Repayments due from such Borrower 
during the immediately preceding Bond Year and (II) $1,000, such Net Earnings shall be retained in the 
Debt Service Fund unless directed by an Authorized Officer of the Trust to be credited to the Trust Bond 
Loan Repayment of such Borrower in accordance with this paragraph.

5. Earnings on Funds and Accounts Not Subject to Transfer and Credit. All Net 
Earnings from the investment of moneys in the Project Loan Accounts, the Capitalized Interest Account, 
the Rebate Fund, the Revenue Fund and the Operating Expense Fund shall be retained in and treated as 
part of such fund or accounts and applied in accordance with the Sections of this Bond Resolution 
governing such funds or accounts.

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

LOANS

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 6.06. Continuing Disclosure. Prior to each Loan Closing of a Loan, the Trust,
pursuant to the sole discretion of an Authorized Officer of the Trust, in consultation with Bond Counsel,
genral counsel and other appropriate 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 promulgated by the
Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as
amended or supplemented, including any successor regulation or statute thereto (“Rule 15c2-12”), based
upon the following criteria hereby established as the means of satisfying the meaning and purposes of
Rule 15c2-12: Borrowers shall be considered to be material “obligated persons” if their remaining Fund
Loan (unless defined in this Section 6.06, capitalized terms not defined in this Bond Resolution and used
in this Section 6.06 shall have the respective meanings ascribed to such terms in the Master Program
Trust Agreement) repayments in all Coverage Providing Financing Programs, when aggregated with such
Borrower’s Trust Loan repayments, if any, in respect of the Bonds, exceed ten percent (10%) of the sum
of (i) the aggregate of all remaining Fund Loan repayments from all Borrowers in all Coverage Providing
Financing Programs and (ii) the aggregate of all remaining 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 Loan Agreements) whereby
annual charges or indirect annual charges, as the case may be, materially secure the Trust Bond Loan
Repayments of any such Borrowers, any such Underlying Government Unit and Indirect Underlying
Government Unit shall also be considered material “obligated persons” within the meaning and for the
purposes of Rule 15c2-12.

Any Borrower determined to be a material “obligated person” based upon the criteria set forth
herein shall be required to enter into a Continuing Disclosure Agreement, with a term as specified therein,
by and among such Borrower, the Trust and the Trustee, substantially in the form attached hereto as
Exhibit H to Exhibit A and Exhibit B, 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”. Nevertheless, the Trust hereby
covenants to provide notice of Bond Disclosure Events (as defined in the Continuing Disclosure
Agreement), if material, with respect to the Series 2016A-1 Bonds to each Nationally Recognized
Municipal Securities Information Repository recognized by the SEC or to the Municipal Securities
Rulemaking Board and the State Information Depository, if any, recognized by the SEC.

The Trust hereby determines that the Series 2016A-1 Financing Program relating to the Series
2016A-1 Bonds is an “obligated person”, and shall be required to enter into a Continuing Disclosure
Agreement, with a term as specified therein, by and among the Trust, the Trustee and the Master Program Trustee, substantially in the form attached hereto as Exhibit E, with such changes therein as shall be approved by the Trust, as evidenced by the execution thereof by an Authorized Officer of the Trust.

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

ADDITIONAL PROVISIONS RELATING TO LOANS

SECTION 7.01. Reserved.

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

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

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

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

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

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

GENERAL COVENANTS

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

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

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

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

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

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

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

SECTION 8.06. Tax Rebate.

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

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

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

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

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

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

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

(d) if (i) the Trust shall make an assignment for the benefit of creditors, (ii) the Trust shall apply for or seek the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (iii) the Trust shall fail to file an answer or other pleading denying the material allegations of any proceeding filed against it described under clause (ii) of paragraph (c) of this Section, (iv) the Trust shall take any action to authorize or implement any of the actions set forth in paragraph (c) or (d) of this Section, (v) the Trust shall fail to contest in good faith any appointment or proceeding described in paragraph (c) or (d) of this Section or (vi) without the application, approval or consent of the Trust, a receiver, trustee, examiner, liquidator or similar official shall be appointed for any substantial part of the Trust’s property and such appointment shall continue undischarged or such proceedings shall continue undischmissed or unstayed for a period of thirty (30) consecutive days; or

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

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

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

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

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

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

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

No right or remedy by the terms of this Bond Resolution conferred upon or reserved to the Trustee (or to the Holders of Bonds) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to Trustee or to such Holders hereunder or now or hereafter existing at law or in equity or by statute other
than pursuant to the Act. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

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

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

SECTION 9.04. Reserved.

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

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

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

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

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

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

**SECTION 9.10. Notice of Certain Defaults; Opportunity of Trust to Cure Defaults.** Anything herein to the contrary notwithstanding, no Default under Section 9.01(e) hereof shall constitute an Event of Default until actual notice of such Default shall be given to the Trust by registered or certified mail by the Trustee or by the Holders of a majority in aggregate principal amount of all Bonds then Outstanding and the Trust shall not have corrected the Default or caused the Default to be corrected within thirty (30) days following the giving of such notice; provided, however, that if the Default be such that it is correctable but cannot be corrected within the applicable period, it shall not constitute an Event
of Default if corrective action is instituted by the Trust within the applicable period and diligently pursued
until the Default is corrected.

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

FIDUCIARIES

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

SECTION 10.02. Paying Agents; Appointments.

1. The Trustee is hereby appointed Paying Agent and shall also act as registrar for the Series 2016A-1 Bonds. The Trust shall appoint one or more Paying Agents for the Bonds of each additional Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 10.13 for a successor Paying Agent. The Trustee may be appointed a Paying Agent.

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

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

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

SECTION 10.03. Responsibilities of Fiduciaries.

1. The recitals of fact contained herein and in the Bonds shall be taken as the statements of the Trust and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representation as to the validity or sufficiency of this Bond Resolution or of any Bonds issued thereunder or as to the security afforded by this Bond Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its authentication certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Trust or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of subsection 2 of this Section 10.03, no Fiduciary shall be liable in connection with the observance and performance of its duties and obligations hereunder except for its own negligence or misconduct.
2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and obligations and only such duties and obligations as are specifically set forth in this Bond Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers invested in it by this Bond Resolution, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Bond Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 10.03.


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

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

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

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

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

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

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

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

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

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

SECTION 10.07. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Bond Resolution by giving not less than sixty (60) days’ written notice to the Trust, and mailing notice thereof to the Holders of the Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Trust or the Bondholders as provided in Section 10.09, in which event such resignation shall take effect immediately on the appointment of such successor, or unless a successor shall not have been appointed by the Trust or the Bondholders as provided in Section 10.09 on that date, in which event such resignation shall not take effect until a successor is appointed.

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

SECTION 10.09. Appointment of Successor Trustee.

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

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

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

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

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

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

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

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Bond Resolution by giving at least sixty (60) days written notice to the Trust, the Trustee and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Trust. Any successor Paying Agent shall be appointed by the Trust with the written approval of the Trustee and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least $20,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all duties imposed upon it by this Bond Resolution.

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

AMENDMENTS

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

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

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

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

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

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

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

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

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

If the Supplemental Resolution adopted by the Trust pursuant to this Section materially increases the duties and responsibilities of the Trustee hereunder, the Trust shall reasonably compensate the Trustee for such materially increased duties and responsibilities.
SECTION 11.02. Supplemental Resolutions Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Trust, (ii) the filing with the Trust of an instrument in writing made by the Trustee consenting thereto, and (iii) the filing with the Trust and the Trustee of an opinion of Bond Counsel to the effect that such Supplemental Resolution will not adversely affect the exclusion from gross income of the interest on the Series 2016A-1 Bonds for federal income tax purposes, shall be fully effective in accordance with its terms:

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

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

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

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

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

SECTION 11.03. Supplemental Resolutions Effective With Consent of Bondholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by the Bondholders in accordance with and subject to the provisions of Sections 11.06 and 11.07, which Supplemental Resolution, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Trust, (ii) compliance with the provisions of said Sections 11.06 and 11.07, (iii) the filing with the Trust and the Trustee of an opinion of Bond Counsel to the effect that such Supplemental Resolution will not adversely affect the exclusion from gross income of the interest on the Series 2016A-1 Bonds for federal income tax purposes, shall become fully effective in accordance with its terms as provided in said Section 11.07. Provided, however, that, any Supplemental Resolution which by its terms only affects one or more Series of Bonds may be adopted subject to the consent of the Bondholders of the Series or Series of Bonds so affected.


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

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

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

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

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

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

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

At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Trust a written statement that the Holders of such required percentages of such Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Trust on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 11.07, may be given to Bondholders by the Trust by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 11.07 provided). The Trust shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 11.07 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Trust, the Fiduciaries and the Holders of all Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof of the mailings of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that any Fiduciary and the Trust during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as it may deem expedient.
SECTION 11.08. Modifications or Amendments by Unanimous Consent. The terms and provisions of this Bond Resolution and the rights and obligations of the Trust and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Trust of a Supplemental Resolution and the consent thereto of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in Section 11.07 except that no notice to Holders of Bonds either by mailing or publication shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Holders of Bonds.

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

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

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

SECTION 11.12. Amendment of Loan Agreements. The Trust shall not supplement, amend, modify or terminate any Loan Agreement, or consent to any such supplement, amendment, modification or termination, without the written consent of the Trustee, which consent shall not be unreasonably withheld. The Trustee shall give such written consent only if (a) (i) in the opinion of the Trustee, after such supplement, amendment, modification or termination is effective, such Loan Agreement shall continue to meet the requirements of Article VI of this Bond Resolution or (ii) the Trustee first obtains the written consent of the Holders of a majority in aggregate principal amount of the Outstanding Bonds to such supplement, amendment, modification or termination, such written consent being obtained by the Trustee at the sole expense of the Borrower which is a party to the Loan Agreement which is the subject of the supplement, amendment, modification or termination and (b) the Trustee first obtains an opinion of Bond Counsel to the effect that such supplement, amendment, modification or termination will not adversely affect the exclusion from gross income of the interest on the Series 2016A-1 Bonds for federal
income tax purposes. In making any determination under this Section 11.12, the Trustee may conclusively rely upon an opinion of Bond Counsel.

Notwithstanding any other provision in this Section, the Trust may supplement, amend or modify any Loan Agreement without the consent of the Trustee or any Bondholder (i) for the purposes set forth in Section 5.02(5) hereof, (ii) for the purpose of amending, supplementing or modifying Section 2.02(p) of the Loan Agreement and (iii) for the purpose of amending, supplementing or modifying Exhibit H to the Loan Agreement prior to the execution and delivery thereof.

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

DEFEASANCE

SECTION 12.01. Defeasance of Bonds.

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

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

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

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

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

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

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

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

Notwithstanding any other provision in Article XII of this Bond Resolution, all duties, covenants, agreements and obligations of the Trust to the Holders relating to the exclusion of interest from gross income of the Holders of the Series 2016A-1 Bonds for federal income tax purposes shall survive the defeasance of the Series 2016A-1 Bonds.

SECTION 12.02. Evidence of Signatures and Ownership of Bonds.

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

2. The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books maintained by the Trustee.
3. Any request or consent by the Holder of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Trust or any Trustee in accordance therewith.

SECTION 12.03. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.
ARTICLE XIII
MARKETING AND SALE OF THE BONDS

SECTION 13.01. Preliminary Official Statement.

1. The Authorized Officers of the Trust are hereby severally authorized and directed to prepare a preliminary official statement relating to the Series 2016A-1 Bonds (the “Preliminary Official Statement”), which Preliminary Official Statement shall be in the form, and shall include such provisions, as the Authorized Officer of the Trust, after consultation with Bond Counsel and other appropriate professional advisors to the Trust, deems in his sole discretion to be necessary or desirable, the delivery thereof by the Authorized Officer of the Trust being conclusive evidence of his consent to the provisions thereof.

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

3. The Authorized Officers of the Trust are hereby severally authorized and directed to execute any certificate or document and to take such other actions as may be necessary, relating to any statutes, regulations, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, including, without limitation, Rule 15c2-12, that the Authorized Officer of the Trust, after consultation with Bond Counsel, deems necessary or desirable to effect the issuance, marketing and sale of the Series 2016A-1 Bonds, and the transactions contemplated by the Preliminary Official Statement.

SECTION 13.02. Official Statement. The Authorized Officers of the Trust are hereby severally authorized and directed to execute and deliver a final official statement relating to the Series 2016A-1 Bonds (the “Official Statement”), in substantially similar form to the Preliminary Official Statement, with such changes thereto as shall be necessary or desirable to reflect the final pricing of the Series 2016A-1 Bonds, as set forth in any documents relating to the sale of the Series 2016A-1 Bonds, and to reflect any other changes required pursuant to any statutes, regulations, rules or other procedures of the SEC, the Municipal Securities Rulemaking Board or any state securities entity, including, without limitation, Rule 15c2-12, as the Authorized Officer of the Trust, after consultation with Bond Counsel and any other appropriate professional advisors to the Trust, deems in his sole discretion to be necessary or desirable to effect the issuance of the Series 2016A-1 Bonds and the transactions contemplated by the Official Statement, which delivery thereof by the Authorized Officer of the Trust shall conclusively evidence his consent to the provisions thereof.

SECTION 13.03. Sale of the Series 2016A-1 Bonds.

1. The Authorized Officers of the Trust are hereby severally authorized and directed to cause to be published and disseminated in connection with the marketing and sale of the Series 2016A-1 Bonds a notice of sale with respect to the Series 2016A-1 Bonds (the “Notice of Sale”), which Notice of Sale shall set forth, inter alia, the following terms and provisions, which terms and provisions shall be determined by the Authorized Officer of the Trust after consultation with Bond Counsel and other appropriate professional advisors to the Trust: (i) a summary of the terms of the Series 2016A-1 Bonds; (ii) the criteria pursuant to which the award of the Series 2016A-1 Bonds shall be made by the Trust; (iii)
the date and time at which proposals for the purchase of the Series 2016A-1 Bonds shall be accepted by the Trust; and (iv) the method by which the bidders for the purchase of the Series 2016A-1 Bonds shall submit their proposals, which proposals shall be submitted to the Trust, in compliance with the terms of the Notice of Sale, via a written proposal for Series 2016A-1 Bonds (the “Proposal for Bonds”).

2. The Authorized Officers of the Trust 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 2016A-1 Bonds.

3. On the date and time established therefore in the Notice of Sale, the Proposals for Bonds shall be received and accepted by the Authorized Officer of the Trust. Upon receipt and acceptance of the Proposals for Bonds, the Authorized Officers of the Trust are hereby severally authorized and directed to open such Proposals for Bonds and, after consultation with Bond Counsel and other appropriate professional advisors to the Trust, accept the successful Proposal for Bonds, such Proposal for Bonds to be determined based upon compliance with the terms of the Notice of Sale relating to the award of the Series 2016A-1 Bonds and after consultation with Bond Counsel and other appropriate professional advisors to the Trust.

4. The Authorized Officers of the Trust 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 2016A-1 Bonds, including, without limitation, such other actions as may be necessary in connection with (i) the procurement of a rating on the Series 2016A-1 Bonds from any rating agency and (ii) the conduct of informational investment meetings; provided, however, that in each such instance the Authorized Officers of the Trust shall comply with the provisions of this Section 13.03 and shall consult with Bond Counsel and other appropriate professional advisors to the Trust with respect thereto.

5. At the first meeting of the Board of Directors of the Trust subsequent to the sale of the Series 2016A-1 Bonds, the Executive Director or other Authorized Officer of the Trust shall deliver a report setting forth the details of the sale of the Series 2016A-1 Bonds.

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

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

2. In complying with the provisions of Section 13.03 hereof, the Authorized Officers of the Trust are hereby severally authorized at their discretion to accept Proposals for Bonds and complete the award of the Series 2016A-1 Bonds, pursuant to the terms and provisions of the Notice of Sale, by means of electronic media; provided that, with respect to the selection of the particular electronic media and the implementation of the procedures for the exercise thereof, the Authorized Officer of the Trust shall consult with Bond Counsel and other appropriate professional advisors to the Trust with respect thereto.
SECTION 13.05. Registration or Qualification of Series 2016A-1 Bonds. The Authorized Officers of the Trust are hereby severally authorized and directed, in the name and on behalf of the Trust, to take any and all actions that they deem necessary and advisable in order to effect the registration or qualification (or exemption therefrom) of the Series 2016A-1 Bonds for offer, sale or trade under the blue sky or securities laws of any of the states of the United States of America, and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports (except consents to service of process in any jurisdiction outside the State) and other papers and instruments which may be required under such laws, and to take any and all further actions that they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the underwriters for such securities.

SECTION 13.06. Establishment of Trust Account in Connection with the Sale of the Series 2016A-1 Bonds. The Authorized Officers of the Trust are hereby severally authorized and directed, in consultation with Bond Counsel and other appropriate advisors to the Trust, to enter into a trust agreement by and between the Trust and U.S. Bank National Association, or any successors and assigns thereto, providing for the establishment of a trust account with U.S. Bank National Association, or any successors and assigns thereto (i) for deposit therein (a) at the time of the award of the Series 2016A-1 Bonds the good faith deposit of the successful bidder for the Series 2016A-1 Bonds, such check being required by the terms of the Notice of Sale, (b) on the Business Day prior to the issuance of the Series 2016A-1 Bonds the portion of the Debt Service Reserve Requirement not funded with Series 2016A-1 Bond proceeds to be contributed by the State of New Jersey in the amount set forth in Section 2.03(8) hereof, and (c) prior to the issuance of the Series 2016A-1 Bonds, such other amounts, the deposit of which may be deemed necessary and desirable by any Authorized Officer of the Trust, in consultation with Bond Counsel and other appropriate advisors to the Trust, (ii) for withdrawal therefrom on the date of issuance of the Series 2016A-1 Bonds (a) the amounts deposited in accordance with clause (i)(a) above to be transferred in accordance with the terms of Section 2.03(7) hereof, (b) the amounts deposited in accordance with clause (i)(b) above to be transferred in accordance with the terms of Section 2.03(8) hereof, (c) the amounts deposited in accordance with clause (i)(c) above to be transferred in a manner consistent with their purposes to a Fund and Account created hereunder as more fully detailed by the terms of said trust agreement and (d) the interest earned on all of such amounts to be paid over to the Trust for any of its lawful purposes and (iii) after all of the transfers having been made in accordance with clause (ii) above, for the closing of such trust account on the date of issuance of the Series 2016A-1 Bonds.

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

1. In connection with the issuance and sale of the Series 2016A-1 Bonds, the Authorized Officers of the Trust are hereby severally authorized and directed to enter into agreements on behalf of the Trust with DTC, with such terms and provisions as such Authorized Officer of the Trust shall approve upon consultation with Bond Counsel, which agreements shall take effect on the date of delivery of the Series 2016A-1 Bonds.

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

MISCELLANEOUS

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

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

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

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

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

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

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

(b) Trustee: U.S. Bank National Association 21 South Street, 3rd Floor Morristown, New Jersey 07960 Attention: Corporate Trust Department

(c) Paying Agent: U.S. Bank National Association 21 South Street, 3rd Floor Morristown, New Jersey 07960 Attention: Corporate Trust Department

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

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

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

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

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

SECTION 14.12. Business Days. Except as otherwise specifically provided herein, if any date specified herein for the payment of any Bond or the performance of any act shall not be a Business Day at the place of payment or performance, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date, and in case any payment of the principal or Redemption Price of or interest on any Bond shall be due on a date that is not a Business Day, interest on such principal amount shall cease to accrue on the date on which such payment was due if such payment is made on the immediately succeeding Business Day.
ARTICLE XV

BOND FORM AND EFFECTIVE DATE

SECTION 15.01. Form of Series 2016A-1 Bonds and Trustee’s Authentication Certificate. Subject to the provisions of this Bond Resolution, the form of the Series 2016A-1 Bonds and the Trustee’s certificate of authentication shall be of substantially the following tenor:
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 Office of U.S. Bank National Association (such bank and any successors thereto being herein called the “Trustee” and “Paying Agent”), the Principal Sum stated hereon in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts, and to pay from such pledged funds on March 1 and September 1 in each year, commencing September 1, 2016, 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 shall be discharged to the Registered Owner hereof, interest from the Dated Date hereof on such Principal Sum by check or draft of the Trustee mailed to such Registered Owner who shall appear as of the fifteenth (15th) day (whether or not such day shall be a Business Day) of the month immediately preceding such interest payment date on the books of the Trust maintained by the Trustee. However, so long as the Series 2016A-1 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 2016A-1 Bonds.

This bond is one of a duly authorized Series of Bonds of the Trust designated “Environmental Infrastructure Bonds, Series 2016A-1” (herein called the “Series 2016A-1 Bonds”), and issued in the aggregate principal amount of $________ under and in full compliance with the Constitution and statutes of the State of New Jersey, including, without limitation, the “New Jersey Environmental Infrastructure Trust Act”, constituting chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey, as amended and supplemented (herein called the “Act”), and under and pursuant to a resolution authorizing the Series 2016A-1 Bonds adopted by the Trust on April 14, 2016 and entitled “Environmental Infrastructure Bond Resolution, Series 2016A-1”, as the same may be amended or supplemented from time to time in accordance with its terms (herein called the “Resolution”).
All capitalized terms used but not defined herein shall have the meanings set forth in the Resolution as if fully set forth herein.

As provided in the Resolution, the Series 2016A-1 Bonds and all other bonds issued on a parity basis with the Series 2016A-1 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) by the Trust Estate, all in accordance with their terms and the terms and conditions of the Resolution, subject only to the provisions of the Resolution permitting the application of the Trust Estate for the purposes and upon the terms and conditions set forth in the Resolution. The principal or Redemption Price, if any, of and interest on the Series 2016A-1 Bonds are additionally secured by moneys held by the Master Program Trustee in the Master Program Trust Account to the extent set forth in the Master Program Trust Agreement. The Trust Estate under the Resolution includes the Loan Agreements (with certain exceptions set forth in the Resolution), any other Revenues and all other funds and accounts established under the Resolution (other than the Operating Expense Fund, the Project Fund, and the Rebate Fund), including Investment Securities, as applicable, held in any such Fund thereunder, together with all proceeds and revenues of the foregoing, all of the 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 in accordance with 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 Trustee. Reference is hereby made to the Act and to the Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security under the Resolution and for all of the other terms and provisions thereof. All duties, covenants, agreements and obligations of the 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 Trustee, all in accordance with the terms and provisions of the Resolution.

As provided in the Resolution, Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more Series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. Although the aggregate principal amount of Bonds that may be issued under the Resolution is not limited, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution, the aggregate amount of bonds that may be issued by the 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 Trustee or of the Paying Agent without its written
assent thereto.

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

The Series 2016A-1 Bonds maturing on or before September 1, [2026] shall not be subject to
redemption prior to their respective stated maturity dates. The Series 2016A-1 Bonds maturing on or
after September 1, [2027] shall be subject to redemption prior to their respective stated maturity dates on
or after September 1, [2026], at the option of the Trust, upon the terms set forth in the Resolution.

The Series 2016A-1 Bonds are payable upon redemption at the above-mentioned office of the
Paying Agent. Notice of redemption, setting forth the place of payment, shall be mailed by the Trustee
via first class mail, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to
the redemption date, to the registered owners of any Series 2016A-1 Bonds or portions thereof to be
redeemed at their last addresses, if any, appearing upon the Trust’s registry books, all in the manner and
upon the terms and conditions set forth in the Resolution. If notice of redemption shall have been mailed
as aforesaid, the Series 2016A-1 Bonds or portions thereof specified in said notice shall become due and
payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption
of all of the Series 2016A-1 Bonds or portions thereof to be redeemed, together with interest to the
redemption date, shall be available for such payment on said date, then from and after the redemption date
interest on such Series 2016A-1 Bonds or portions thereof so called for redemption shall cease to accrue
and be payable. Failure of the registered owner of any Series 2016A-1 Bonds to be redeemed to receive
any such notice shall not affect the validity of the proceedings for the redemption of such Series 2016A-1
Bonds.

The principal or Redemption Price, if any, of and interest on the Series 2016A-1 Bonds are
payable by the Trust solely from the Trust Estate, and neither the State of New Jersey nor any political
subdivision thereof, other than the Trust (but solely to the extent of the Trust Estate), is obligated to pay
the principal or Redemption Price, if any, of or interest on this bond and the issue of which it is one, and
neither the full faith and credit nor the taxing power of the State of New Jersey or any political
subdivision thereof is pledged to the payment of the principal or Redemption Price, if any, of or interest
on this bond or the issue of which it is one.
It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond exist, have happened and have been performed, and the Series of Bonds of which this is one, together with all other indebtedness of the 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 Trustee of the Trustee’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: __________________________

Chairman

[SEAL]

ATTEST:

______________________________
Assistant Secretary
This bond is one of the Series 2016A-1 Bonds delivered pursuant to the within-mentioned Resolution.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

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

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

UNIF GIFT MIN ACT
Custodian
Cust (State)

ASSIGNMENT

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

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

(Please Print or Typewrite Name and Address of Transferee)

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

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

Dated:

Signature Guaranty:    Signature:

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

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

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

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

Form of Loan Agreement for Municipal Borrowers
EXHIBIT B

Form of Loan Agreement for Authority Borrowers
EXHIBIT C

[Reserved]
EXHIBIT D

Form of Notice of Sale
EXHIBIT E

Form of Trust Continuing Disclosure Agreement
CERTIFICATE OF AN AUTHORIZED OFFICER OF THE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AS REQUIRED
BY SECTION 4 OR 8(a) OF THE MASTER PROGRAM TRUST AGREEMENT

I, DAVID E. ZIMMER, Executive Director of the New Jersey Environmental Infrastructure Trust (the “Trust”) and an Authorized Officer as defined in and under that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the 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 (the “Master Program Trustee”), and the Trust, as the same may be amended and supplemented from time to time in accordance with its terms (the “Master Program Trust Agreement”; capitalized terms used but not defined in this Certificate shall have the meanings ascribed to such terms in the Master Program Trust Agreement), DO HEREBY CERTIFY as follows:

1. The 2016A-1 series within the Financing Program for State Fiscal Year 2016 shall constitute a Future Financing Program within the meaning of and for the purposes set forth in the Master Program Trust Agreement.

2. The 2016A-1 series within the Financing Program for State Fiscal Year 2016 has received all requisite approvals, authorizations and consents that constitute a condition precedent to such Financing Program becoming a Future Financing Program.

3. The 2016A-1 series within the Financing Program for State Fiscal Year 2016 shall be a Future Financing Program in order to provide additional security for the Coverage Receiving Trust Bonds, including, without limitation, the Future Trust Bonds to be issued under such Financing Program.

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

5. This revised Schedule AG-2 to the Master Program Trust Agreement is being delivered to the Master Program Trustee in connection with the Trust’s issuance of its Environmental Infrastructure Bonds, Series 2016A-1 in the aggregate principal amount of $__________, which bonds constitute Future Trust Bonds under the Master Program Trust Agreement.
IN WITNESS WHEREOF, the undersigned duly Authorized Officer of the Trust has executed and delivered this Certificate this 26th day of May, 2016.

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

By: __________________________
    Executive Director
SCHEDULE I-A

Reserved
SCHEDULE I-A

Reserved
SCHEDULE I-B

Allocable Share – Borrowers

The allocations contained in the attached schedule are valid for the term of the Loan of a particular Borrower. Once a Borrower’s Loan is repaid or if a Borrower decides to prepay its Loan, (i) said Borrower will no longer be entitled to any Net Earnings on any of the funds or accounts established pursuant to this Bond Resolution and (ii) no reallocation will be made of the remaining Borrowers.
SCHEDULE II

Reserved
LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

AND

[NAME OF BORROWER]

DATED AS OF MAY 1, 2016
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THIS LOAN AGREEMENT, made and entered into as of May 1, 2016, by and between the NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, a public body corporate and politic with corporate succession, and the Borrower (capitalized terms used in this Loan Agreement shall have, unless the context otherwise requires, the meanings ascribed thereto in Section 1.01 hereof);

WITNESSETH THAT:

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

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

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

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

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

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

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

SECTION 1.01. Definitions.

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

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

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

“Authorized Officer” means, in the case of the Borrower, any person or persons authorized pursuant to a resolution or ordinance of the governing body of the Borrower to perform any act or execute any document relating to the Loan, the Borrower Bond or this Loan Agreement.

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

“Borrower” means the New Jersey county or municipality that is a party to this Loan Agreement, and its successors and assigns, as further described in Schedule A attached hereto.

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

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

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

-2-
“Costs” means those costs that are eligible, reasonable, necessary, allocable to the Project and permitted by generally accepted accounting principles, including Allowances and Building Costs (as defined in the Regulations), as shall be determined on a project-specific basis in accordance with the Regulations as set forth in Exhibit B hereto, as the same may be amended by subsequent eligible costs as evidenced by a certificate of an authorized officer of the Trust.

“Debt Service Reserve Fund” means the Debt Service Reserve Fund, if any, as defined in the Bond Resolution.

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

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

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

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

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

“Fund Loan” means the loan made to the Borrower by the State, acting by and through the Department, pursuant to the Fund Loan Agreement dated as of May 1, 2016 by and between the Borrower and the State, acting by and through the Department, to finance or refinance a portion of the Costs of the Project.

“Fund Loan Agreement” means the loan agreement dated as of May 1, 2016 by and between the Borrower and the State, acting by and through the Department, regarding the terms and conditions of the Fund Loan.

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

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

“Loan” means the loan made by the Trust to the Borrower to finance or refinance a portion of the Costs of the Project pursuant to this Loan Agreement, as further described in Schedule A attached hereto.
“Loan Agreement” means this Loan Agreement, including Schedule A and the Exhibits attached hereto, as it may be supplemented, modified or amended from time to time in accordance with the terms hereof and of the Bond Resolution.

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

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

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

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

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

“Master Program Trust Agreement” means that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the 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.

“Official Statement” means the Official Statement relating to the issuance of the Trust Bonds.

“Preliminary Official Statement” means the Preliminary Official Statement relating to the issuance of the Trust Bonds.

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

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

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

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

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

“State” means the State of New Jersey.

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

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

“Trust Bonds” means bonds authorized by Section 2.03 of the Bond Resolution, together with any refunding bonds authenticated and delivered pursuant to Section 2.04 of the Bond Resolution, in each case issued in order to finance (i) the portion of the Loan deposited in the Project Loan Account, (ii) the portion of the Loans deposited in the balance of the Project Fund, (iii) any capitalized interest related to such bonds, (iv) a portion of the costs of issuance related to such bonds, and (v) that portion of the Debt Service Reserve Fund (to the extent the Trust establishes a Debt Service Reserve Fund pursuant to the Bond Resolution), if any, allocable to the Loan or Loans, as the case may be, a portion of which includes the funding of reserve capacity, if applicable, for the Environmental Infrastructure Facilities of the Borrower or Borrowers, as the case may be, or to refinance any or all of the above.

“Trustee” means, initially, U.S. Bank National Association, the Trustee appointed by the Trust and its successors as Trustee under the Bond Resolution, as provided in Article X of the Bond Resolution.

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

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

REPRESENTATIONS AND COVENANTS OF BORROWER

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

(a) Organization and Authority.

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

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

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

(iv) The proceedings of the Borrower’s governing body approving this Loan Agreement and the Borrower Bond, authorizing the execution, attestation and delivery of this Loan Agreement and the Borrower Bond, authorizing the sale of the Borrower Bond to the Trust and authorizing the Borrower to undertake and complete the Project, including, without limitation, the “Proceedings”, were duly published in accordance with applicable State law, and have been duly and lawfully adopted in accordance with the Borrower Enabling Act and other applicable State law at a meeting or meetings that were duly called pursuant to necessary public notice and held in accordance with applicable State law and at which quorums were present and acting throughout.

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

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

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

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

(e) No Defaults. No event has occurred and no condition exists that, upon the authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond, the sale of the Borrower Bond to the Trust or the receipt of the amount of the Loan, would constitute an Event of Default hereunder. The Borrower is not in violation of, and has not received notice of any claimed violation of, any term of any agreement or other instrument to which it is a party or by which it, its Environmental Infrastructure System or its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations is subject.

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

(g) **Compliance with Law.** The Borrower:

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

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

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

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

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

SECTION 2.02. Particular Covenants of Borrower.

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

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

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

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

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

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

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

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

(iv) The Borrower shall not directly or indirectly use or permit the use of any proceeds of the Trust Bonds to pay the principal of or the interest or redemption premium on or any other amount in connection with the retirement or redemption of any issue of state or local governmental obligations (“refinancing of indebtedness”), unless the Borrower shall (A) establish to the satisfaction of the Trust, prior to the issuance of the Trust Bonds, that such refinancing of indebtedness will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Trust Bonds, and (B) provide to the Trust an opinion of Bond Counsel to that effect in form and substance satisfactory to the Trust.
(v) The Borrower shall not directly or indirectly use or permit the use of any proceeds of the Trust Bonds to reimburse the Borrower for an expenditure with respect to Costs of the Borrower’s Project paid by the Borrower prior to the issuance of the Trust Bonds, unless (A) the allocation by the Borrower of the proceeds of the Trust Bonds to reimburse such expenditure complies with the requirements of Treasury Regulations §1.150-2 necessary to enable the reimbursement allocation to be treated as an expenditure of the proceeds of the Trust Bonds for purposes of applying Sections 103 and 141-150, inclusive, of the Code, or (B) such proceeds of the Trust Bonds will be used for refinancing of indebtedness that was used to pay Costs of the Borrower’s Project or to reimburse the Borrower for expenditures with respect to Costs of the Borrower’s Project paid by the Borrower prior to the issuance of such indebtedness in accordance with a reimbursement allocation for such expenditures that complies with the requirements of Treasury Regulations §1.150-2.

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

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

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

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

(x) The Borrower will not issue or permit to be issued obligations that will constitute an “advance refunding” of the Borrower Bond within the meaning of Section 149(d)(5) of the Code without the express written consent of the Trust, which consent may only be delivered by the Trust after the Trust has received notice from the Borrower of such contemplated action no later than sixty (60) days prior to any such contemplated action, and which consent is in the sole discretion of the Trust.
(xi) The Borrower will not invest amounts held in any reserve or replacement fund of the Borrower (within the meaning of Section 148(d)(1) of the Code) that are allocable to the Borrower Bond evidencing the Loan at a yield in excess of the yield on the Trust Bonds, all in accordance with the instructions of the Trust, except for any period such amounts constitute proceeds of indebtedness of the Borrower the interest on which is excluded from gross income for purposes of federal income taxation and such amounts have not been reallocated to the Trust Bonds as "gross proceeds" of the Trust Bonds (in accordance with Treasury Regulations §1.148-6(b) or successor Treasury Regulations applicable to the Trust Bonds).

(xii) No “gross proceeds” of the Trust Bonds held by the Borrower (other than amounts in a “bona fide debt service fund”) will be held in a “commingled fund” (as such terms are defined in Treasury Regulations §1.148-1(b)).

(xiii) Based upon all of the objective facts and circumstances in existence on the date of issuance of the Trust Bonds used to finance the Project, (A) within six months of the date of issuance of the Trust Bonds used to finance the Project, the Borrower will incur a substantial binding obligation to a third party to expend on the Project at least five percent (5%) of the “net sale proceeds” (within the meaning of Treasury Regulations §1.148-1) of the Loan used to finance the Project (treating an obligation as not being binding if it is subject to contingencies within the control of the Borrower, the Trust or a “related party” (within the meaning of Treasury Regulations §1.150-1)), (B) completion of the Project and the allocation to expenditures of the “net sale proceeds” of the Loan used to finance the Project will proceed with due diligence, and (C) all of the proceeds of the Loan used to finance the Project (other than amounts deposited into the Debt Service Reserve Fund (to the extent the Trust establishes a Debt Service Reserve Fund pursuant to the Bond Resolution) allocable to that portion of the Loan used to finance reserve capacity, if any) and investment earnings thereon will be spent prior to the period ending three (3) years subsequent to the date of issuance of the Trust Bonds used to finance the Project. Accordingly, the proceeds of the Loan deposited in the Project Loan Account used to finance the Project will be eligible for the 3-year arbitrage temporary period since the expenditure test, time test and due diligence test, as set forth in Treasury Regulations §1.148-2(e)(2), will be satisfied.

(xiv) The weighted average maturity of the Loan does not exceed 120% of the average reasonably expected economic life of the Project financed or refinanced with the Loan, determined in the same manner as under Section 147(b) of the Code. Accordingly, the term of the Loan will not be longer than is reasonably necessary for the governmental purposes of the Loan within the meaning of Treasury Regulations §1.148-1(c)(4).

(xv) The Borrower shall only enter into service contracts (including management contracts), with respect to any portion of the Project financed by the Trust Bonds, with a “governmental unit” (within the meaning of Section 141 of the Code) or only when such contracts comply with Rev. Proc. 97-13, 1997-1 C.B. 632, or successor provisions applicable to the Trust Bonds; provided, that the Borrower delivers an opinion of Bond Counsel, in form and substance satisfactory to the Trust, to the effect that the
entering into of such contracts by the Borrower will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Trust Bonds.

(xvi) The Borrower shall, within 30 days of date the Borrower concludes that no additional proceeds of the Loan will be required to pay costs of the Project, provide to the Trust a certificate of the Borrower evidencing such conclusion.

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

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

(g) Records and Accounts.

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

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

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

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

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

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

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

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

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

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

(i) an opinion of the Borrower’s bond counsel substantially in the form of Exhibit E hereto; provided, however, that the Trust may permit portions of such opinion to be rendered by general counsel to the Borrower and may permit variances in such opinion from the form set forth in Exhibit E if, in the opinion of the Trust, such variances are not to the material detriment of the interests of the holders of the Trust Bonds;

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

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

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

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

(l) **Execution and Delivery of Borrower Bond.** Concurrently with the delivery of this Loan Agreement at the Loan Closing, the Borrower shall also deliver to the Trust the Borrower Bond, as previously executed and attested, upon the receipt of a written certification of the Trust that a portion of the net proceeds of the Trust Bonds shall be deposited in the Project Loan Account simultaneously with the delivery of the Borrower Bond.
(m) **Notice of Material Adverse Change.** The Borrower shall promptly notify the Trust of any material adverse change in the properties, activities, prospects or condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System, or in the ability of the Borrower to make all Loan Repayments and otherwise to observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond.

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

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

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

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. Loan; Loan Term. The Trust hereby agrees to make the Loan as described in Exhibit A-2 hereof and to disburse proceeds of the Loan to the Borrower in accordance with Section 3.02 and Exhibit C hereof, and the Borrower hereby agrees to borrow and accept the Loan from the Trust upon the terms set forth in Exhibit A-2 attached hereto and made a part hereof; provided, however, that the Trust shall be under no obligation to make the Loan if (a) at the Loan Closing, the Borrower does not deliver to the Trust a Borrower Bond and such other documents required under Section 2.02(k) hereof, or (b) an Event of Default has occurred and is continuing under the Bond Resolution or this Loan Agreement. Although the Trust intends to disburse proceeds of the Loan to the Borrower at the times and up to the amounts set forth in Exhibit C to pay a portion of the Costs of the Project, due to unforeseen circumstances there may not be a sufficient amount on deposit in the Project Fund on any date to make the disbursement in such amount. Nevertheless, the Borrower agrees that the amount actually deposited in the Project Loan Account at the Loan Closing plus the Borrower’s allocable share of (i) certain costs of issuance and underwriter’s discount for all Trust Bonds issued to finance the Loan; (ii) capitalized interest during the Project construction period, if applicable; and (iii) that portion of the Debt Service Reserve Fund (to the extent the Trust establishes a Debt Service Reserve Fund pursuant to the Bond Resolution) attributable to the cost of funding reserve capacity for the Project, if applicable, shall constitute the initial principal amount of the Loan (as the same may be adjusted downward in accordance with the definition thereof), and neither the Trust nor the Trustee shall have any obligation thereafter to loan any additional amounts to the Borrower.

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

The payment obligations created under this Loan Agreement are secured by the Borrower Bond. The obligations to pay the principal of the Borrower Bond, Interest on the Borrower Bond and other amounts due under the Borrower Bond are each direct, general, irrevocable and unconditional obligations of the Borrower payable from any source legally available to the Borrower, including, without limitation, the general tax revenues of the Borrower, and the Borrower shall, if necessary, levy ad valorem taxes upon all the taxable property within the Borrower for the payment of such obligations, without limitation as to rate or amount.

SECTION 3.02. Disbursement of Loan Proceeds.

(a) The Trustee, as the agent of the Trust, shall disburse the amounts on deposit in the Project Loan Account to the Borrower upon receipt of a requisition executed by an Authorized Officer of the Borrower, and approved by the Trust, in a form meeting the requirements of Section 5.02(3) of the Bond Resolution.

(b) The Trust and Trustee shall not be required to disburse any Loan proceeds to the Borrower under this Loan Agreement, unless:
the proceeds of the Trust Bonds shall be available for disbursement, as determined solely by the Trust;

(ii) in accordance with the Bond Act, and the Regulations, the Borrower shall have timely applied for, shall have been awarded and, prior to or simultaneously with the Loan Closing, shall have closed a Fund Loan for a portion of the Allowable Costs (as defined in such Regulations) of the Project in an amount not in excess of the amount of Allowable Costs of the Project financed by the Loan from the Trust;

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

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

SECTION 3.03. Amounts Payable.

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

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

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

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

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

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

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

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

(e) The Interest on the Loan described in clause (ii) of the definition thereof shall be paid by the Borrower in the amount of one-half of the Administrative Fee, if any, to the Trustee semiannually on each February 1 and August 1, commencing August 1, 2016.

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

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

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

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

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

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

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

(B) If the Excess Project Funds are greater than the greater of (1) $250,000 or (2) the amount of Loan Repayments due from the Borrower to the Trust in the next succeeding calendar year, the Excess Project Funds shall be applied by the Trust as a
SECTION 3.04. Unconditional Obligations. The direct, general obligation of the Borrower to make the Loan Repayments and all other payments required hereunder and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever while any Trust Bonds remain outstanding or any Loan Repayments remain unpaid, for any reason, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project or Environmental Infrastructure System, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the Trust or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Project, this Loan Agreement or the Bond Resolution, or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might otherwise have against the Trust, the Trustee or any other party or parties; provided, however, that payments hereunder shall not constitute a waiver of any such rights. The Borrower shall not be obligated to make any payments required to be made by any other Borrowers under separate Loan Agreements or the Bond Resolution.

The Borrower acknowledges that payment of the Trust Bonds by the Trust, including payment from moneys drawn by the Trustee from the Debt Service Reserve Fund (to the extent the Trust establishes a Debt Service Reserve Fund pursuant to the Bond Resolution), does not constitute payment of the amounts due under this Loan Agreement and the Borrower Bond. If at any time the amount in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Requirement as the result of any transfer of moneys from the Debt Service Reserve Fund to the Debt Service Fund (as all such terms are defined in the Bond Resolution) as the result of a failure by the Borrower to make any Trust Bond Loan Repayments required hereunder, the Borrower agrees to replenish (i) such moneys so transferred and (ii) any deficiency arising from losses incurred in making such transfer as the result of the liquidation by the Trust of Investment Securities (as defined in the Bond Resolution) acquired as an investment of moneys in the Debt Service Reserve Fund, by making payments to the Trust in equal monthly installments for the lesser of six (6) months or the remaining term of the Loan at an interest rate to be determined by the Trust necessary to make up any loss caused by such deficiency.

The Borrower acknowledges that payment of the Trust Bonds from moneys that were originally received by the Trustee pursuant to Section 5.04(1) of the Bond Resolution from repayments by the Borrowers of loans made to the Borrowers by the State, acting by and through the Department, pursuant to loan agreements dated as of May 1, 2016 by and between the Borrowers and the State, acting by and through the Department, to finance or refinance a portion of the Costs of the Environmental Infrastructure Facilities of the Borrowers, does not constitute payment of the amounts due under this Loan Agreement and the Borrower Bond.
SECTION 3.05. Loan Agreement to Survive Bond Resolution and Trust Bonds.
The Borrower acknowledges that its duties, covenants, obligations and agreements hereunder shall survive the discharge of the Bond Resolution applicable to the Trust Bonds and shall survive the payment of the principal and redemption premium, if any, of and the interest on the Trust Bonds until the Borrower can take no action or fail to take any action that could adversely affect the exclusion from gross income of the interest on the Trust Bonds for purposes of federal income taxation, at which time such duties, covenants, obligations and agreements hereunder shall, except for those set forth in Sections 3.06(a) and (b) hereof, terminate.

SECTION 3.06. Disclaimer of Warranties and Indemnification.

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

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

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

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

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

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

SECTION 3.08. Priority of Loan and Fund Loan.

(a) The Borrower hereby acknowledges that, to the extent allowed by law, any Loan Repayments then due and payable on the Loan shall be satisfied by the Trustee before any loan repayments on the Borrower’s Fund Loan shall be satisfied by the Trustee. The Borrower agrees not to interfere with any such action by the Trustee.
(b) The Borrower hereby acknowledges that in the event the Borrower fails or is unable to pay promptly to the Trust in full any Trust Bond Loan Repayments under this Loan Agreement when due, then any (i) Administrative Fee paid hereunder, (ii) late charges paid hereunder, and (iii) loan repayments paid by the Borrower on its Fund Loan under the related loan agreement therefor, any of which payments shall be received by the Trustee during the time of any such Trust Bond Loan Repayment deficiency, shall be applied by the Trustee first to satisfy such Trust Bond Loan Repayment deficiency as a credit against the obligations of the Borrower to make payments of the Interest Portion under the Loan and the Borrower Bond, second, to the extent available, to make Trust Bond Loan Repayments of principal hereunder and payments of principal under the Borrower Bond, third, to the extent available, to pay the Administrative Fee, fourth, to the extent available, to pay any late charges hereunder, fifth, to the extent available, to satisfy the repayment of the Borrower’s Fund Loan under its related loan agreement therefor, and finally, to the extent available, to satisfy the repayment of the administrative fee under any such related loan agreement.

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

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

ASSIGNMENT OF LOAN AGREEMENT AND BORROWER BOND

SECTION 4.01. Assignment and Transfer by Trust.

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

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

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

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

EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

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

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

MISCELLANEOUS

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

(a) Trust:

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

(b) Trustee:

    U.S. Bank National Association
    21 South Street, 3rd Floor
    Morristown, New Jersey 07960
    Attention: Corporate Trust Department

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

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

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

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

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

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

SECTION 6.07. Consents and Approvals. Whenever the written consent or approval of the Trust shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Trust unless otherwise provided by law or by rules, regulations or resolutions of the Trust or unless expressly delegated to the Trustee and except as otherwise provided in Section 6.09 hereof.

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

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

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

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

[SEAL]

ATTEST:

By: ____________________________

Robert A. Briant, Jr.
Vice Chairman

David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]

ATTEST:

By: ____________________________

Authorized Officer

Authorized Officer
SCHEDULE A

Certain Additional Loan Agreement Provisions
EXHIBIT A-1

Description of Project and Environmental Infrastructure System
EXHIBIT A-2

Description of Loan
EXHIBIT B

Basis for Determination of Allowable Project Costs
EXHIBIT C

Estimated Disbursement Schedule
EXHIBIT D

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

This Borrower Bond is issued pursuant to the “Local Bond Law”, P.L. 1960, c. 169, as amended (N.J.S.A. 40A:2-1 et seq.), [the “Municipal Qualified Bond Act”, P.L. 1976, c. 38, as amended (N.J.S.A. 40A:3-1 et seq.)] other applicable law and the Loan Agreement dated as of May 1, 2016 by and between the Trust and the Borrower (the “Loan Agreement”). This Borrower Bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence the payment obligations of the Borrower set forth therein. [As a qualified bond issued under Title 40A of the New Jersey Statutes, this Borrower Bond is entitled to the benefits of the provisions of the Municipal Qualified Bond Act, codified at N.J.S.A. 40A:3-1 et seq.] This Borrower Bond has been assigned to U.S. Bank National Association, as trustee (the “Trustee”) under the “Environmental Infrastructure Bond Resolution, Series 2016A-1”, adopted by the Trust on April 14, 2016, as the same may be amended and supplemented in accordance with the terms thereof (the “Bond Resolution”), and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the Trustee for the account of the Trust pursuant to such assignment. Such assignment has been made as security for the payment of the Trust Bonds (as defined in the Loan Agreement) issued to finance or refinance the Loan and as otherwise described in the Loan Agreement. This Borrower Bond is subject to further assignment or endorsement in accordance with the terms of the Bond Resolution and the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Borrower Bond.

Pursuant to the Loan Agreement, disbursements shall be made by the Trustee to the Borrower, in accordance with written instructions of the Trust, upon receipt by the Trust and the Trustee of requisitions from the Borrower executed and delivered in accordance with the requirements set forth in Section 3.02 of the Loan Agreement.
This Borrower Bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional, without any defense or right of set-off, counterclaim or recoupment by reason of any default by the Trust under the Loan Agreement or under any other agreement between the Borrower and the Trust or out of any indebtedness or liability at any time owing to the Borrower by the Trust or for any other reason.

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

IN WITNESS WHEREOF, the Borrower has caused this Borrower Bond to be duly executed, sealed and delivered as of May 26, 2016.

[NAME OF BORROWER]

[SEAL]

By: ____________________________________
Mayor

ATTEST:

_______________________________________
Clerk

By: [Treasurer] [Chief Financial Officer]
New Jersey Environmental Infrastructure Trust hereby assigns the foregoing Borrower Bond to U.S. Bank National Association, as the Trust’s Trustee under the “Environmental Infrastructure Bond Resolution, Series 2016A-1”, adopted on April 14, 2016, as amended and supplemented, all as of the date of this Borrower Bond, as security for the Trust Bonds issued or to be issued under the Bond Resolution to finance or refinance the Project Fund (as defined in the Bond Resolution).

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

[SEAL]

ATTEST:

Robert A. Briant, Jr.
Vice Chairman

____________________________
David E. Zimmer
Assistant Secretary
EXHIBIT E

Opinions of Borrower’s Bond Counsel and General Counsel

See Closing Item ___
New Jersey Environmental Infrastructure Trust  
3131 Princeton Pike  
Building 4, Suite 216  
Lawrenceville, New Jersey 08648-2201

U.S. Bank National Association  
21 South Street, 3rd Floor  
Morristown, New Jersey 07960  
Attention: Corporate Trust Department

Ladies and Gentlemen:

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

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

(a) the Trust’s “Environmental Infrastructure Bond Resolution, Series 2016A-1”, adopted by the Board of Directors of the Trust on April 14, 2016;

(b) the Loan Agreement dated as of May 1, 2016 (the “Loan Agreement”) by and between the Trust and the Borrower;

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

(d) the Borrower Bond dated May 26, 2016 (the “Borrower Bond”) issued by the Borrower to the Trust to evidence the Loan; and

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

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

We are of the opinion that:

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

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

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

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

5. The proceedings of the Borrower's governing body (i) approving the Loan Documents, (ii) authorizing their execution, attestation and delivery on behalf of the Borrower, (iii) with respect to the Borrower Bond only, authorizing its sale by the Borrower to the Trust, (iv) authorizing the Borrower to consummate the transactions contemplated by the Loan Documents, (v) authorizing the Borrower to undertake and complete the Project, and (vi) authorizing the execution and delivery of all other certificates, agreements, documents and
The Loan Documents have been duly authorized, executed, attested and delivered by the Authorized Officers of the Borrower and the Borrower Bond has been duly sold by the Borrower to the Trust; and assuming in the case of the Loan Agreement that the Trust has the requisite power and authority to authorize, execute, attest and deliver, and has duly authorized, executed, attested and delivered, the Loan Agreement, the Loan Documents constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally. No opinion is rendered as to the availability of any particular remedy.

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

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

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

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

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

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

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

Very truly yours,
EXHIBIT F

Additional Covenants and Requirements
EXHIBIT G

General Administrative Requirements for the State Environmental Infrastructure Financing Program
EXHIBIT H

Form of Continuing Disclosure Agreement
LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

AND

[NAME OF BORROWER]

DATED AS OF MAY 1, 2016
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THIS LOAN AGREEMENT, made and entered into as of May 1, 2016, by and between the NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, a public body corporate and politic with corporate succession, and the Borrower (capitalized terms used in this Loan Agreement shall have, unless the context otherwise requires, the meanings ascribed thereto in Section 1.01 hereof);

WITNESSETH THAT:

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

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

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

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

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

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

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

DEFINITIONS

SECTION 1.01. Definitions.

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

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

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

“Authorized Officer” means, in the case of the Borrower, any person or persons authorized pursuant to a resolution of the governing body of the Borrower to perform any act or execute any document relating to the Loan, the Borrower Bond or this Loan Agreement.

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

“Borrower Bond” means the revenue bond authorized, executed, attested and delivered by the Borrower to the Trust and authenticated on behalf of the Borrower to evidence the Loan, a specimen of which is attached hereto as Exhibit D and made a part hereof.

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

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

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

“Debt Service Reserve Fund” means the Debt Service Reserve Fund, if any, as defined in the Bond Resolution.
“Department” means the New Jersey Department of Environmental Protection.

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

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

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

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

“Fund Loan” means the loan made to the Borrower by the State, acting by and through the Department, pursuant to the Fund Loan Agreement dated as of May 1, 2016 by and between the Borrower and the State, acting by and through the Department, to finance or refinance a portion of the Costs of the Project.

“Fund Loan Agreement” means the loan agreement dated as of May 1, 2016 by and between the Borrower and the State, acting by and through the Department, regarding the terms and conditions of the Fund Loan.

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

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

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

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

“Loan Agreements” means any other loan agreements entered into by and between the Trust and one or more of the Borrowers pursuant to which the Trust will make Loans to such Borrowers from moneys on deposit in the Project Fund, excluding the Project Loan Account, financed with the proceeds of the Trust Bonds.
“Loan Closing” means the date upon which the Trust shall issue and deliver the Trust Bonds and the Borrower shall deliver its Borrower Bond, as previously authorized, executed, attested and authenticated, to the Trust.

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

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

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

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

“Master Program Trust Agreement” means that certain Master Program Trust Agreement, dated as of November 1, 1995, by and among the 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.

“Official Statement” means the Official Statement relating to the issuance of the Trust Bonds.

“Preliminary Official Statement” means the Preliminary Official Statement relating to the issuance of the Trust Bonds.

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

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

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

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

“State” means the State of New Jersey.

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

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

“Trust Bonds” means bonds authorized by Section 2.03 of the Bond Resolution, together with any refunding bonds authenticated and delivered pursuant to Section 2.04 of the Bond Resolution, in each case issued in order to finance (i) the portion of the Loan deposited in the Project Loan Account, (ii) the portion of the Loans deposited in the balance of the Project Fund, (iii) any capitalized interest related to such bonds, (iv) a portion of the costs of issuance related to such bonds, and (v) that portion of the Debt Service Reserve Fund (to the extent the Trust establishes a Debt Service Reserve Fund pursuant to the Bond Resolution), if any, allocable to the Loan or Loans, as the case may be, a portion of which includes the funding of reserve capacity, if applicable, for the Environmental Infrastructure Facilities of the Borrower or Borrowers, as the case may be, or to refinance any or all of the above.

“Trustee” means, initially, U.S. Bank National Association, the Trustee appointed by the Trust and its successors as Trustee under the Bond Resolution, as provided in Article X of the Bond Resolution.

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

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

REPRESENTATIONS AND COVENANTS OF BORROWER

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

(a) Organization and Authority.

(i) The Borrower is an Entity duly created and validly existing under and pursuant to the Constitution and statutes of the State, including the Borrower Enabling Act, and is subject to the Local Authorities Fiscal Control Law.

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

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

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

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

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

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

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

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

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

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

(g) **Compliance with Law.** The Borrower:

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

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

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

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

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

SECTION 2.02. Particular Covenants of Borrower.

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

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

(c) Revenue Obligation; No Prior Pledges. The Borrower shall not be required to make payments under this Loan Agreement except from the Revenues of its Environmental Infrastructure System and from such other funds of such Environmental Infrastructure System legally available therefor and from any other sources pledged to such payment pursuant to subsection (a) of this Section 2.02. In no event shall the Borrower be required to make payments under this Loan Agreement from any revenues or receipts not derived from its Environmental Infrastructure System or pledged pursuant to subsection (a) of this Section 2.02. Except for the Permitted Pledges, the Revenues derived by the Borrower from its Environmental Infrastructure System, after the payment of all costs of operating and maintaining the Environmental Infrastructure System, are and will be free and clear of any pledge, lien, charge or encumbrance
thereon or with respect to that end has been and will be duly and validly taken. See Section 2.02(c) as set forth in Schedule A attached hereto, made a part hereof and incorporated in this Section 2.02(c) by reference as if set forth in full herein.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(xii) No “gross proceeds” of the Trust Bonds held by the Borrower (other than amounts in a “bona fide debt service fund”) will be held in a “commingled fund” (as such terms are defined in Treasury Regulations §1.148-1(b)).

(xiii) Based upon all of the objective facts and circumstances in existence on the date of issuance of the Trust Bonds used to finance the Project, (A) within six months of the date of issuance of the Trust Bonds used to finance the Project, the Borrower will incur a substantial binding obligation to a third party to expend on the Project at least five percent (5%) of the “net sale proceeds” (within the meaning of Treasury Regulations §1.148-1) of the Loan used to finance the Project (treating an obligation as not being binding if it is subject to contingencies within the control of the Borrower, the Trust or a “related party” (within the meaning of Treasury Regulations §1.150-1)), (B) completion of the Project and the allocation to expenditures of the “net sale proceeds” of the Loan used to finance the Project will proceed with due diligence, and (C) all of the proceeds of the Loan used to finance the Project (other than amounts deposited into the Debt Service Reserve Fund (to the extent the Trust establishes a Debt Service Reserve Fund pursuant to the Bond Resolution) allocable to that portion of the Loan used to finance reserve capacity, if any) and investment earnings thereon will be spent prior to the period ending three (3) years subsequent to the date of issuance of the Trust Bonds used to finance the Project. Accordingly, the proceeds of the Loan deposited in the Project Loan Account used to finance the Project will be eligible for the 3-year arbitrage temporary period since
the expenditure test, time test and due diligence test, as set forth in Treasury Regulations §1.148-2(e)(2), will be satisfied.

(xiv) The weighted average maturity of the Loan does not exceed 120% of the average reasonably expected economic life of the Project financed or refinanced with the Loan, determined in the same manner as under Section 147(b) of the Code. Accordingly, the term of the Loan will not be longer than is reasonably necessary for the governmental purposes of the Loan within the meaning of Treasury Regulations §1.148-1(c)(4).

(xv) The Borrower shall only enter into service contracts (including management contracts), with respect to any portion of the Project financed by the Trust Bonds, with a “governmental unit” (within the meaning of Section 141 of the Code) or only when such contracts comply with Rev. Proc. 97-13, 1997-1 C.B. 632, or successor provisions applicable to the Trust Bonds; provided, that the Borrower delivers an opinion of Bond Counsel, in form and substance satisfactory to the Trust, to the effect that the entering into of such contracts by the Borrower will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Trust Bonds.

(xvi) The Borrower shall, within 30 days of date the Borrower concludes that no additional proceeds of the Loan will be required to pay costs of the Project, provide to the Trust a certificate of the Borrower evidencing such conclusion.

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

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

(h) Records and Accounts.

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

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

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

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

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

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

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

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

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

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

(i) an opinion of the Borrower’s bond counsel substantially in the form of Exhibit E hereto; provided, however, that the Trust may permit portions of such opinion to be rendered by general counsel to the Borrower and may permit variances in such opinion from the form set forth in Exhibit E if, in the opinion of the Trust, such variances are not to the material detriment of the interests of the holders of the Trust Bonds;

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

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

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

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

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

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

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

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

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

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

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. Loan; Loan Term. The Trust hereby agrees to make the Loan as described in Exhibit A-2 hereof and to disburse proceeds of the Loan to the Borrower in accordance with Section 3.02 and Exhibit C hereof, and the Borrower hereby agrees to borrow and accept the Loan from the Trust upon the terms set forth in Exhibit A-2 attached hereto and made a part hereof; provided, however, that the Trust shall be under no obligation to make the Loan if (a) at the Loan Closing, the Borrower does not deliver to the Trust a Borrower Bond and such other documents required under Section 2.02(l) hereof, or (b) an Event of Default has occurred and is continuing under the Bond Resolution or this Loan Agreement. Although the Trust intends to disburse proceeds of the Loan to the Borrower at the times and up to the amounts set forth in Exhibit C to pay a portion of the Costs of the Project, due to unforeseen circumstances there may not be a sufficient amount on deposit in the Project Fund on any date to make the disbursement in such amount. Nevertheless, the Borrower agrees that the amount actually deposited in the Project Loan Account at the Loan Closing plus the Borrower’s allocable share of (i) certain costs of issuance and underwriter’s discount for all Trust Bonds issued to finance the Loan; (ii) capitalized interest during the Project construction period, if applicable; and (iii) that portion of the Debt Service Reserve Fund (to the extent the Trust establishes a Debt Service Reserve Fund pursuant to the Bond Resolution) attributable to the cost of funding reserve capacity for the Project, if applicable, shall constitute the initial principal amount of the Loan (as the same may be adjusted downward in accordance with the definition thereof), and neither the Trust nor the Trustee shall have any obligation thereafter to loan any additional amounts to the Borrower.

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

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

SECTION 3.02. Disbursement of Loan Proceeds.

(a) The Trustee, as the agent of the Trust, shall disburse the amounts on deposit in the Project Loan Account to the Borrower upon receipt of a requisition executed by an Authorized Officer of the Borrower, and approved by the Trust, in a form meeting the requirements of Section 5.02(3) of the Bond Resolution.

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

(i) the proceeds of the Trust Bonds shall be available for disbursement, as determined solely by the Trust;
(ii) in accordance with the Bond Act, and the Regulations, the Borrower shall have timely applied for, shall have been awarded and, prior to or simultaneously with the Loan Closing, shall have closed a Fund Loan for a portion of the Allowable Costs (as defined in such Regulations) of the Project in an amount not in excess of the amount of Allowable Costs of the Project financed by the Loan from the Trust;

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

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

SECTION 3.03. Amounts Payable.

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

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

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

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

The obligations of the Borrower under the Borrower Bond shall be deemed to be amounts payable under this Section 3.03. Each Loan Repayment, whether satisfied through a direct payment by the Borrower to the Trustee or (with respect to the Interest Portion) through the use of Trust Bond proceeds and income thereon on deposit in the Interest Account (as defined in the Bond Resolution) to pay interest on the Trust Bonds, shall be deemed to be a credit against the corresponding obligation of the Borrower under this Section 3.03 and shall fulfill the Borrower’s obligation to pay such amount hereunder and under the Borrower Bond. Each payment made to the Trustee pursuant to this Section 3.03 shall be applied first to the Interest Portion then due and payable, second to the principal of the Loan then due and payable, third to the payment of the Administrative Fee, and finally to the payment of any late charges hereunder.
(b) The Interest on the Loan described in clause (iii) of the definition thereof shall (i) consist of a late charge for any Trust Bond Loan Repayment that is received by the Trustee later than its due date and (ii) be payable immediately thereafter in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one half of one percent per annum on such late payment from its due date to the date it is actually paid; provided, however, that the rate of Interest on the Loan, including, without limitation, any late payment charges incurred hereunder, shall not exceed the maximum interest rate permitted by law.

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

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

(e) The Interest on the Loan described in clause (ii) of the definition thereof shall be paid by the Borrower in the amount of one-half of the Administrative Fee, if any, to the Trustee semiannually on each February 1 and August 1, commencing August 1, 2016.

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

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

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

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

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

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

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

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

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

The Borrower acknowledges that payment of the Trust Bonds by the Trust, including
payment from moneys drawn by the Trustee from the Debt Service Reserve Fund (to the extent
the Trust establishes a Debt Service Reserve Fund pursuant to the Bond Resolution), does not
constitute payment of the amounts due under this Loan Agreement and the Borrower Bond. If at
any time the amount in the Debt Service Reserve Fund shall be less than the Debt Service
Reserve Requirement as the result of any transfer of moneys from the Debt Service Reserve
Fund to the Debt Service Fund (as all such terms are defined in the Bond Resolution) as the
result of a failure by the Borrower to make any Trust Bond Loan Repayments required
hereunder, the Borrower agrees to replenish (i) such moneys so transferred and (ii) any
deficiency arising from losses incurred in making such transfer as the result of the liquidation by
the Trust of Investment Securities (as defined in the Bond Resolution) acquired as an investment
of moneys in the Debt Service Reserve Fund, by making payments to the Trust in equal monthly
installments for the lesser of six (6) months or the remaining term of the Loan at an interest rate
to be determined by the Trust necessary to make up any loss caused by such deficiency.

The Borrower acknowledges that payment of the Trust Bonds from moneys that were
originally received by the Trustee pursuant to Section 5.04(1) of the Bond Resolution from
repayments by the Borrowers of loans made to the Borrowers by the State, acting by and through
the Department, pursuant to loan agreements dated as of May 1, 2016 by and between the
Borrowers and the State, acting by and through the Department, to finance or refinance a portion
of the Costs of the Environmental Infrastructure Facilities of the Borrowers, does not constitute
payment of the amounts due under this Loan Agreement and the Borrower Bond.

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

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

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

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

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

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

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

SECTION 3.08. Priority of Loan and Fund Loan.

(a) The Borrower hereby acknowledges that, to the extent allowed by law, any Loan Repayments then due and payable on the Loan shall be satisfied by the Trustee before any loan repayments on the Borrower’s Fund Loan shall be satisfied by the Trustee. The Borrower agrees not to interfere with any such action by the Trustee.

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

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

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

ASSIGNMENT OF LOAN AGREEMENT AND BORROWER BOND

SECTION 4.01. Assignment and Transfer by Trust.

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

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

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

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

EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 5.05. Application of Moneys. Any moneys collected by the Trust or the Trustee pursuant to Section 5.03 hereof shall be applied (a) first to pay any attorneys’ fees or other fees and expenses owed by the Borrower pursuant to Section 5.04 hereof, (b) second, to the extent available, to pay the Interest Portion then due and payable, (c) third, to the extent available, to pay the principal due and payable on the Loan, (d) fourth, to the extent available, to pay the Administrative Fee, any late charges incurred hereunder or any other amounts due and
payable under this Loan Agreement, and (e) fifth, to the extent available, to pay the Interest Portion and the principal on the Loan and other amounts payable hereunder as such amounts become due and payable.

SECTION 5.06. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the Trust or the Trustee is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trust or the Trustee to exercise any remedy reserved to it in this Article V, it shall not be necessary to give any notice other than such notice as may be required in this Article V.

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

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

(a) Trust:

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

(b) Trustee:

U.S. Bank National Association
21 South Street, 3rd Floor
Morristown, New Jersey 07960
Attention: Corporate Trust Department

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

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

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

SECTION 6.04. Amendments, Supplements and Modifications.

(a) Except as otherwise provided in this Section 6.04, this Loan Agreement may not be amended, supplemented or modified without the prior written consent of the Trust and the Borrower and without the satisfaction of all conditions set forth in Section 11.12 of the Bond Resolution. Notwithstanding the conditions set forth in Section 11.12 of the Bond Resolution, (i) Section 2.02(p) hereof may be amended, supplemented or modified upon the written consent of the Trust and the Borrower and without the consent of the Trustee, any Bond Insurer or any holders of the Trust Bonds, and (ii) Exhibit H hereto may be amended, supplemented or modified prior to the execution and delivery thereof as the Trust, in its sole discretion, shall determine to be necessary, desirable or convenient for the purpose of satisfying Rule 15c2-12

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and the purpose and intent thereof as Rule 15c2-12, its purpose and intent may hereafter be interpreted from time to time by the SEC or any court of competent jurisdiction, and such amendment, supplement or modification shall not require the consent of the Borrower, the Trustee, any Bond Insurer or any holders of the Trust Bonds.

(b) Notwithstanding any provision of the Service Agreement to the contrary, the Service Agreement may not be amended, supplemented or modified by the Borrower and the Underlying Government Unit without the prior written consent of an Authorized Officer (as defined in the Bond Resolution) of the Trust.

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

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

SECTION 6.07. Consents and Approvals. Whenever the written consent or approval of the Trust shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Trust unless otherwise provided by law or by rules, regulations or resolutions of the Trust or unless expressly delegated to the Trustee and except as otherwise provided in Section 6.09 hereof.

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

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

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

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

[SEAL]
By: Robert A. Briant, Jr.
Vice Chairman

ATTEST: David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]
By: __________________________
Authorized Officer

ATTEST: _________________________
Authorized Officer

[signature page]
SCHEDULE A

Certain Additional Loan Agreement Provisions
EXHIBIT A-1

Description of Project and Environmental Infrastructure System
EXHIBIT A-2

Description of Loan
EXHIBIT B

Basis for Determination of Allowable Project Costs
EXHIBIT C

Estimated Disbursement Schedule
EXHIBIT D

Specimen Borrower Bond
(Except for assignment page, to be supplied by Borrower’s bond counsel in substantially the following form)

IMPORTANT NOTE: The next three pages set forth the form of the Borrower Bond prepared by the Trust’s Bond Counsel for municipal/county Borrowers. Although the Trust recognizes that each authority Borrower has its own bond form as required pursuant to its Borrower Bond Resolution, please incorporate in the authority bond form the pertinent information from this municipal/county bond form (e.g., amounts payable under the Borrower Bond set forth in the first paragraph, assignment in the second paragraph, disbursement language in the third paragraph, unconditional obligation in the fourth paragraph, optional prepayment provisions in the fifth paragraph and the date of the Borrower Bond).
FOR VALUE RECEIVED, [the] [NAME OF BORROWER], a [municipal/county utilities authority] [sewerage authority] [political subdivision] duly created and validly existing under the Constitution and laws of the State (the “Borrower”), hereby promises to pay to the order of the New Jersey Environmental Infrastructure Trust (the “Trust”) (i) the principal amount of __________________________ Dollars ($__________), or such lesser amount as shall be determined in accordance with Section 3.01 of the Loan Agreement (as hereinafter defined), at the times and in the amounts determined as provided in the Loan Agreement, together with (ii) Interest on the Loan constituting the Interest Portion, the Administrative Fee and any late charges incurred under the Loan Agreement (as such terms are defined in the Loan Agreement) in the amount calculated as provided in the Loan Agreement, payable on the days and in the amounts as provided in the Loan Agreement, which principal amount and Interest Portion of the Interest on the Loan shall, unless otherwise provided in the Loan Agreement, be payable on the days and in the amounts as set forth in Exhibit A attached hereto under the column headings respectively entitled “Principal” and “Interest”, plus (iii) any other amounts due and owing under the Loan Agreement at the times and in the amounts as provided therein. The Borrower irrevocably pledges its Revenues (as defined in the Loan Agreement) for the punctual payment of the principal of and the Interest on this Borrower Bond (as defined in the Loan Agreement) and for the punctual payment of all other amounts due under this Borrower Bond and the Loan Agreement according to their respective terms.

This Borrower Bond is issued pursuant to the [“Municipal and County Utilities Authorities Law”, P.L. 1957, c. 183, (N.J.S.A. 40:14B-1 et seq.),] [the “Sewerage Authorities Law”, P.L. 1946 c. 138 (N.J.S.A. 40:14A-1 et seq.),] [“the Local Authorities Fiscal Control Law”, P.L. 1983 c. 313 (N.J.S.A. 40A:5A-1 et seq.),] [the “Borrower Enabling Act” means the “[TITLE OF ACT]”, P.L. _____ c. _____ (N.J.S.A. _______ et seq.),] other applicable law and the Loan Agreement dated as of May 1, 2016 by and between the Trust and the Borrower (the “Loan Agreement”). This Borrower Bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence the payment obligations of the Borrower set forth in the Loan Agreement. This Borrower Bond has been assigned to U.S. Bank National Association, as trustee (the “Trust’s Trustee”) under the “Environmental Infrastructure Bond Resolution, Series 2016A-1”, adopted by the Trust on April 14, 2016, as the same may be amended and supplemented in accordance with the terms thereof (the “Bond Resolution”), and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the Trust’s Trustee for the account of the Trust pursuant to such assignment. Such assignment has been made as security for the payment of the Trust Bonds (as defined in the Loan Agreement) issued to finance or refinance the Loan and as otherwise described in the Loan Agreement. This Borrower Bond is subject to further assignment or endorsement in accordance with the terms of the Bond Resolution and the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Borrower Bond.

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

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

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

IN WITNESS WHEREOF, the Borrower has caused this Borrower Bond to be duly executed, sealed and delivered as of May 26, 2016.

[NAME OF BORROWER]

[SEAL]

By: _______________________

ATTEST:

____________________________
New Jersey Environmental Infrastructure Trust hereby assigns the foregoing Borrower Bond to U.S. Bank National Association, as the Trust’s Trustee under the “Environmental Infrastructure Bond Resolution, Series 2016A-1”, adopted on April 14, 2016, as amended and supplemented, all as of the date of this Borrower Bond, as security for the Trust Bonds issued or to be issued under the Bond Resolution to finance or refinance the Project Fund (as defined in the Bond Resolution).

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

[SEAL]

ATTEST:

By: __________________________

Robert A. Briant, Jr.

Vice Chairman

David E. Zimmer

Assistant Secretary
EXHIBIT E

Opinions of Borrower’s Bond Counsel and General Counsel

See Closing Item ___
May 26, 2016

New Jersey Environmental Infrastructure Trust
3131 Princeton Pike
Building 4, Suite 216
Lawrenceville, New Jersey 08648-2201

U.S. Bank National Association
21 South Street, 3rd Floor
Morristown, New Jersey 07960
Attention: Corporate Trust Department

Ladies and Gentlemen:

We have acted as counsel to [Name of Borrower], a [municipal/county utilities authority] [sewerage authority] [political subdivision] of the State of New Jersey (the “Borrower”), which has entered into a Loan Agreement (as hereinafter defined) with the New Jersey Environmental Infrastructure Trust (the “Trust”), and have acted as such in connection with the authorization, execution, attestation and delivery by the Borrower of its Loan Agreement and Borrower Bond (as hereinafter defined) pursuant to the [“Municipal and County Utilities Authorities Law”, P.L. 1957, c. 183, (N.J.S.A. 40:14B-1 et seq.),] [the “Sewerage Authorities Law”, P.L. 1946 c. 138 (N.J.S.A. 40:14A-1 et seq.),] [“the Local Authorities Fiscal Control Law”, P.L. 1983 c. 313 (N.J.S.A. 40A:5A-1 et seq.),] [the “Borrower Enabling Act” means the “[TITLE OF ACT]”, P.L. ___ c. ___ (N.J.S.A. _____ et seq.),] and a bond resolution of the Borrower adopted on [DATE] and entitled “[TITLE]”, as amended and supplemented, including by a supplemental resolution adopted on [DATE] and entitled “[TITLE]” (such resolutions shall be collectively referred to herein as the “Resolution”). All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

In so acting, we have examined the Constitution and laws of the State of New Jersey, including, without limitation, the Borrower Enabling Act and the ordinance(s) of [_________] creating the Borrower and the by-laws of the Borrower. We have also examined originals, or copies certified or otherwise identified to our satisfaction, of the following:

(a) the Trust’s “Environmental Infrastructure Bond Resolution, Series 2016A-1” adopted by the Board of Directors of the Trust on April 14, 2016;

(b) the Loan Agreement dated as of May 1, 2016 (the “Loan Agreement”) by and between the Trust and the Borrower;

(c) the proceedings of the governing body of the Borrower relating to the approval of the Loan Agreement and the execution, attestation and delivery thereof on behalf of the Borrower and the authorization of the undertaking and completion of the Project;
(d) the Borrower Bond dated May 26, 2016 (the “Borrower Bond”) issued by the Borrower to the Trust to evidence the Loan; [and]

(e) the proceedings (together with the proceedings referred to in clause (c) above and Section 5 below, the “Proceedings”) of the governing body of the Borrower, including, without limitation, the Resolution, relating to the authorization of the Borrower Bond and the sale, execution, attestation, authentication and delivery thereof to the Trust (the Loan Agreement and the Borrower Bond are referred to herein collectively as the “Loan Documents”[;] [; and] [.]

(f) the service agreement dated as of ________ (the “Service Agreement”) between the Borrower and _________ (the “Underlying Government Unit”), as amended.

(f) the service agreement dated as of ________ (the “Municipal Service Agreement”) between the Borrower and _________ (the “Municipal Underlying Government Unit”), as amended;

(f) the service agreement dated as of ________ (the “Authority Service Agreement”, and together with the Municipal Service Agreement, the “Service Agreement”) between the Borrower and ____________________ (the “Authority Underlying Government Unit”, and together with the Municipal Underlying Government Unit, the “Underlying Government Unit”), as amended; and

(g) the service agreement dated as of ________ (the “Indirect Service Agreement”) between the Authority Underlying Government Unit and ____________________ (the “Indirect Underlying Government Unit”), as amended.

[(IF JUNIOR LIEN BOND RESOLUTION) [(f) [(g) [(i)] the bond resolution of the Borrower (the “Senior Lien Bond Resolution”) authorizing the issuance of bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the Revenues (the “Senior Lien Bonds”).]

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

We are of the opinion that:

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

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

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

4. In accordance with the terms of the Resolution and to the extent provided therein, the Borrower has unconditionally and irrevocably pledged the Revenues of its Environmental Infrastructure System for the punctual payment of the Loan Repayments and all other amounts due under the Loan Documents according to their respective terms.

5. The proceedings of the Borrower’s governing body (i) approving the Loan Documents, (ii) authorizing their execution, attestation and delivery on behalf of the Borrower, (iii) with respect to the Borrower Bond only, authorizing its sale by the Borrower to the Trust and authorizing its authentication on behalf of the Borrower, (iv) authorizing the Borrower to consummate the transactions contemplated by the Loan Documents, (v) authorizing the Borrower to undertake and complete the Project, [(vi) authorizing the approval of the inclusion in the Official Statement of the Borrower Appendices,] and (vi) [(vii)] authorizing the execution and delivery of all other certificates, agreements, documents and instruments in connection with the execution, attestation and delivery of the Loan Documents, [including, without limitation, the designation of the Borrower Appendices portion of the Preliminary Official Statement as “deemed final” for the purposes and within the meaning of Rule 15c2-12(b)(1) of the Securities Exchange Act of 1934, as amended, as promulgated by the Securities and Exchange Commission,] have each been duly and lawfully adopted and authorized in accordance with applicable law and applicable resolutions of the Borrower, including, without limitation, the Resolution, the other Proceedings, the Borrower Enabling Act and the Local Authorities Fiscal Control Law, which Proceedings constitute all of the actions necessary to be taken by the Borrower to authorize its actions contemplated by clauses (i) through (vi) [(vii)] above and which Proceedings, including, without limitation, the Resolution, were duly adopted and published, where necessary, in accordance with applicable New Jersey law at a meeting or meetings duly called pursuant to necessary public notice and held in accordance with applicable New Jersey law and at which quorums were present and acting throughout.

6. The Loan Documents have been duly authorized, executed, attested and delivered by the Authorized Officers of the Borrower, the Borrower Bond has been duly sold by the Borrower to the Trust, and the Borrower Bond has been duly authenticated by the trustee or paying agent under the Resolution; and assuming in the case of the Loan Agreement that the Trust has the requisite power and authority to authorize, execute, attest and deliver, and has duly authorized, executed, attested and delivered, the Loan Agreement, the Loan Documents constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium,
The authorization, execution, attestation and delivery of the Loan Documents by the Borrower and, in the case of the Borrower Bond only, the authentication thereof by the trustee or paying agent under the Resolution and the sale thereof to the Trust, the observation and performance by the Borrower of its duties, covenants, obligations and agreements thereunder, the consummation of the transactions contemplated therein, and the undertaking and completion of the Project do not and will not (i) result in any breach of any of the terms, conditions or provisions of, or (ii) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations is subject.

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

[9. The Borrower and the Underlying Government Unit had and have the right and power under the Constitution and statutes of the State of New Jersey to enter into and execute the Service Agreement and to observe and perform all of their respective duties, covenants, obligations and agreements thereunder, and the Service Agreement has been duly executed and delivered by the Borrower and the Underlying Government Unit and constitutes a valid and legally binding obligation of each of them, enforceable against each of them in accordance with its terms, and obligates the Underlying Government Unit to make payment to the Borrower of Annual Charges as defined in and when due under the Service Agreement.]

[9. The Borrower and the Underlying Government Unit had and have the right and power under the Constitution and statutes of the State of New Jersey to enter into and execute the Service Agreement and to observe and perform all of their respective duties, covenants, obligations and agreements thereunder, and the Service Agreement has been duly executed and delivered by the Borrower and the Underlying Government Unit and constitutes a valid and legally binding obligation of each of them, enforceable against each of them in accordance with its terms, and obligates the Underlying Government Unit to make payment to the Borrower of Annual Charges as defined in and when due under the Service Agreement.]
their respective duties, covenants, obligations and agreements thereunder, and the Indirect Service Agreement has been duly executed and delivered by the Authority Underlying Government Unit and the Indirect Underlying Government Unit and constitutes a valid and legally binding obligation of each of them, enforceable against each of them in accordance with its terms, and obligates the Indirect Underlying Government Unit to make payment to the Authority Underlying Government Unit of Annual Charges (the "Indirect Annual Charges") as defined in and when due under the Indirect Service Agreement.

[10. The Annual Charges payable by the Underlying Government Unit under the Service Agreement constitute valid, binding, direct and general obligations of the Underlying Government Unit [in accordance with the Borrower Enabling Act], and the Underlying Government Unit has the power and is obligated, if necessary, to levy ad valorem taxes upon all the taxable property located in the Underlying Government Unit for the payment of such Annual Charges as the same become due, without limitation as to rate or amount.]

[10. The Annual Charges payable by the Underlying Government Unit under the Service Agreement constitute valid, binding, direct and general obligations of the Municipal Underlying Government Unit and valid, binding and direct obligations of the Authority Underlying Government Unit, and the Municipal Underlying Government Unit has the power and is obligated, if necessary, to levy ad valorem taxes upon all the taxable property located in the Municipal Underlying Government Unit for the payment of such Annual Charges as the same become due, without limitation as to rate or amount.]

The Indirect Annual Charges payable by the Indirect Underlying Government Unit under the Indirect Service Agreement constitute valid, binding, direct and general obligations of the Indirect Underlying Government Unit, and the Indirect Underlying Government Unit has the power and is obligated, if necessary, to levy ad valorem taxes upon all the taxable property located in the Indirect Underlying Government Unit for the payment of such Indirect Annual Charges as the same become due, without limitation as to rate or amount.

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

[12.] [10.] ((IF JUNIOR LIEN BONDS) Other than any Senior Lien Bonds[,] [T]he Borrower has no bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the Revenues.
[13.] [11.] To the best of our knowledge, upon due inquiry, (i) all representations made by the Borrower contained within subsections (f) and (h) of Section 2.02 and, if applicable, Exhibit F of the Loan Agreement are true, accurate and complete, and (ii) all expectations contained therein are reasonable, and we know of no reason why the Borrower would be unable to comply on a continuing basis with the covenants contained within subsections (f) and (h) of Section 2.02 and, if applicable, Exhibit F of the Loan Agreement.

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

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

Very truly yours,
EXHIBIT F

Additional Covenants and Requirements
EXHIBIT F-2

Service Agreement
EXHIBIT G

General Administrative Requirements for the
State Environmental Infrastructure Financing Program
EXHIBIT H

Form of Continuing Disclosure Agreement
NOTICE OF SALE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

$[___]* ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2016A-1

NOTICE IS HEREBY GIVEN that the Executive Director (or any other Authorized Officer as such term is defined in the hereinafter defined Resolution) (the “Executive Director”) of the New Jersey Environmental Infrastructure Trust (the “Trust”) will receive, until 10:45 a.m., New Jersey time, on Tuesday, May 10, 2016 (unless postponed in accordance with the terms hereof, the “Bid Date”), electronically via the PARITY Electronic Bid Submission System (“PARITY”) of i-Deal LLC (“i-Deal”), in a manner described below, “Proposals for Bonds” for the purchase of all of the Trust's $[___]* aggregate principal amount of “Environmental Infrastructure Bonds, Series 2016A-1” (the “Bonds”).

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

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Preliminary Official Statement, dated May 2, 2016, disseminated by the Trust in connection with the sale of the Bonds (the “Preliminary Official Statement”).

Persons considering a purchase of the Bonds should read (i) the Preliminary Official Statement in its entirety, including, without limitation, the cover and the inside cover thereof and the appendices thereto, and (ii) this Notice of Sale in its entirety, including, without limitation, the requirements herein under the headings “Compliance with L. 2005, c. 51”, “Compliance with L. 2005, c. 271 Reporting Requirement” and “Compliance with L. 2012, c. 25 - Certification of Non-Involvement in Prohibited Activities in Iran”.

Simultaneously with the issuance of the Bonds, the Trust expects to issue its “Environmental Infrastructure Refunding Bonds, Series 2016A-R1 (2008A Financing Program)”, in the aggregate principal amount of $[___]* and its “Environmental Infrastructure Refunding Bonds, Series 2016A-R2 (2010B Financing Program)”, in the aggregate principal amount of $[___]* (collectively, the “Series 2016 Refunding Bonds”). The Series 2016 Refunding Bonds are being offered by the Trust pursuant to a separate Notice of Sale (the “Series 2016 Refunding Notice of Sale”), and are not offered pursuant to this Notice of Sale. Reference is made to the Series 2016 Refunding Notice of Sale for a description of the Series 2016 Refunding Bonds.

The Bonds. The Bonds will be dated the date of issuance thereof and will bear interest from such dated date, payable semiannually on March 1 and September 1, beginning September 1, 2016, at the rate or rates per annum specified in the Proposal for Bonds of the Successful Bidder (as hereinafter defined) therefor until maturity (stated or otherwise). Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months, and will be payable in lawful money of the United States of America.

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

*Subject to adjustment in accordance with this Notice of Sale.
further disbursement of such payments from the DTC participants to the beneficial owners of the Bonds is the responsibility of the DTC participants.

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

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

$ [ ___ ]* aggregate Preliminary Principal Amount of Bonds

<table>
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<tr>
<th>September 1</th>
<th>Preliminary Principal Amount ($)</th>
<th>September 1</th>
<th>Preliminary Principal Amount ($)*</th>
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<td>2017</td>
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<td>2032</td>
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<td>2018</td>
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<td>2030</td>
<td>2045</td>
<td>2031</td>
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</table>

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

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

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

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

A bidder must set forth the purchase price of the Bonds in the manner set forth in PARITY. The purchase price for the Bonds must equal or exceed $[ _ ]*, which is ___%* of the aggregate Preliminary Principal Amount of the Bonds. The interest rate specified with respect to each maturity of the Bonds may not be greater than 6.00% per annum.

The Trust will, if applicable, adjust the purchase prices of the Successful Bidder in accordance with the prior section of this Notice of Sale entitled “Adjustment of Bonds After Award”. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW OR MODIFY ITS BID ONCE SUBMITTED TO THE TRUST FOR ANY REASON, INCLUDING, WITHOUT LIMITATION, AS A RESULT OF ANY INCREASE OR DECREASE IN THE FINAL PRINCIPAL AMOUNTS AND THE AGGREGATE PURCHASE PRICE OF THE BONDS.

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

Bidders for the Bonds shall be deemed to have designated all Final Principal Amounts with respect to the Bonds as serial bond maturities unless such bidder designates one or more term bond maturities as follows (the “Term Bond Option”). If the Term Bond Option is selected with respect to one or more term bond maturities, the Final Principal Amounts with respect to the Bonds due on September 1 in any year from 20_ through and including 2045 may be designated by a bidder as consecutive sinking fund installments due on the designated years with the balance due on the respective term bond maturity date with respect to such term bond. Bidders selecting the Term Bond Option shall adhere to the instructions set forth in PARITY with respect to their selection (within the parameters set forth herein) of the Term Bond Option.

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

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

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

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

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

**Good Faith Deposit.** Each bidder submitting a Proposal for Bonds must provide, no later than 10:00
a.m., New Jersey time, on the Bid Date, in the amount of $ [ _ ] , (i) a certified or cashier’s check payable to
the order of the “New Jersey Environmental Infrastructure Trust”, or (ii) an electronic transfer of immediately
available federal funds in accordance with the wiring instructions contained below (such check or electronic
transfer of funds being hereinafter referred to as the “Deposit”).

If a check is used in satisfaction of the Deposit requirement, it must be received at the administrative
offices of the Trust, located at 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648
(the “Administrative Offices”) (via any available means, including, without limitation, overnight delivery and
hand delivery) no later than 10:00 a.m., New Jersey time, on the Bid Date, and MUST BE ACCOMPANIED
BY detailed address information for the return thereof in the event that such bidder is not the Successful
Bidder.

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

RBK: U.S. Bank N.A.
ABA: 091000022
BNF: USBANK PA & NJ CT WIRE CLRG
Beneficiary Account Number: 173103781816
Beneficiary Account Address: 777 E. Wisconsin Avenue
Milwaukee, WI 53202-5300
Ref.: NJEIT 2016A-1 Good Faith Deposit
Contact: Stephanie Roche
Phone: (973) 898-7160
Email: stephanie.roche@usbank.com

If an electronic transfer of funds is used in satisfaction of the Deposit requirement, such funds must be received in the account identified in the third preceding paragraph no later than 10:00 a.m., New Jersey time, on the Bid Date, and MUST BE ACCOMPANIED BY detailed wiring instructions for the return thereof in the event that such bidder is not the Successful Bidder. In order to facilitate confirmation by the Trust of its receipt of a Deposit provided via an electronic transfer of funds prior to the deadline for receipt thereof, the Trust encourages bidders to transmit the "fed reference number" with respect to such bidder's electronic transfer of funds by means of an electronic mail sent to stephanie.roche@usbank.com and ktexany@njeit.org, as soon as such reference number is received by the bidder. Please note that the contact information (i.e., telephone and e-mail address) with respect to the Trustee, set forth in this paragraph and the wiring instructions set forth above, should be used by bidders only for the purposes of (i) confirming receipt of electronic transfers of funds and (ii) the transmittal of instructions for the return of such electronic transfers of funds in the event that such bidder is not the Successful Bidder, and should NOT be used for questions or other information relating to this Notice of Sale or the Bonds.

THE TRUST IS NOT RESPONSIBLE FOR A CHECK OR WIRE TRANSFER THAT IS TRANSMITTED BY, OR ON BEHALF OF, A BIDDER BUT IS NOT RECEIVED AT OR PRIOR TO 10:00 A.M., NEW JERSEY TIME, ON THE BID DATE, AND EACH BIDDER IS SOLELY RESPONSIBLE FOR CONFIRMING RECEIPT OF ITS DEPOSIT AT OR PRIOR TO SUCH TIME. PLEASE NOTE THAT THE DEADLINE FOR RECEIPT OF THE DEPOSIT, 10:00 A.M., NEW JERSEY TIME, IS 45 MINUTES PRIOR TO THE DEADLINE FOR THE RECEIPT OF PROPOSALS FOR BONDS.

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

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

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

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

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

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

3. Once the bids are communicated electronically via PARITY to the Trust as described
   above, each bid will constitute a Proposal for Bonds and shall be deemed to be an irrevocable offer to
   purchase the Bonds on the terms provided in this Notice of Sale. For purposes of submitting
   Proposals for Bonds, the time as maintained on PARITY shall constitute the official time.

4. Each bidder shall be solely responsible to make necessary arrangements to access
   PARITY for purposes of submitting its bid electronically in a timely manner and in compliance with
   the requirements of this Notice of Sale. Neither the Trust nor PARITY shall have any duty or
   obligation to provide or assure access to PARITY for any bidder, and neither the Trust nor PARITY
   shall be responsible for the proper operation of, or have any liability for any delays or interruptions of,
   or any damages caused by, PARITY. The Trust is using PARITY as a communication mechanism,
   and not as the Trust’s agent, to conduct the bidding for the Bonds. By using PARITY, each bidder
   agrees to hold the Trust harmless for any harm or damages caused to such bidder in connection with
   its use of PARITY for bidding on the Bonds.

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

True interest cost for the Bonds (expressed as an annual interest rate) will be that annual interest rate
being twice that factor or discount rate, compounded semiannually, that, when applied against each semiannual
debt service payment (interest or principal and/or sinking fund installment and interest, as due) for the Bonds,
will equate the sum of such discounted semiannual payments to the bid price. The true interest cost for the
Bonds shall be calculated from the dated date (May 26, 2016, unless changed as described herein) and shall be
based upon (i) the Preliminary Principal Amounts thereof and (ii) the purchase price set forth in the respective
Proposal for Bonds. In the case of a tie for the Bonds, the Trust may select the Successful Bidder by lot. It is
requested that each Proposal for Bonds be accompanied by a computation of such true interest cost to the Trust under the terms of such Proposal for Bonds in accordance with the instructions set forth in PARITY, but such computation is not to be considered as part of such Proposal for Bonds.

**Authority and Purpose.** The Bonds will be issued in accordance with the provisions of (i) the “New Jersey Environmental Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”) (N.J.S.A. 58:11B-1 et seq.), as the same has been, and from time to time may be, amended and supplemented (the “Act”), (ii) all other applicable law, and (iii) a bond resolution adopted by the Trust on April 14, 2016 and entitled “Environmental Infrastructure Bond Resolution, Series 2016A-1” (the “Resolution”).

The Bonds will be issued for the purpose of making loans to finance or refinance a portion of the costs of the environmental infrastructure facility projects of the respective Series 2016 Borrowers (the “Projects”).

**Security for Bonds.** The Bonds will be special and limited obligations of the Trust, secured by the Series 2016 Trust Estate, as well as moneys on deposit in the Master Program Trust Account.

**Optional Redemption.** The Bonds maturing on or prior to September 1, 2026 shall not be subject to redemption prior to their respective stated maturity dates. The Bonds maturing on or after September 1, 2027 shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, 2026, at the option of the Trust, upon the terms set forth in the Resolution, either in whole on any date, or in part, by lot within a maturity or maturities determined by the Trust, on any Interest Payment Date, upon the payment of 100% of the principal amount thereof and accrued interest thereon to the date fixed for redemption.

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

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

**Delivery and Payment.** It is expected that delivery of the Bonds in definitive form will take place at the offices of DTC in New York, New York, against payment of the purchase price thereof (less the Deposit) in IMMEDIATELY AVAILABLE FEDERAL FUNDS at the offices of McCarter & English, LLP, bond counsel to the Trust (“Bond Counsel”), in Newark, New Jersey, on or about May 26, 2016 (or the subsequent date for issuance of the Bonds set forth in any postponement notice, the “Closing Date”).

**Reoffering Price Certification.** Simultaneously with or before delivery of the Bonds, the Successful Bidder therefor must furnish to the Trust a certificate acceptable to Bond Counsel to the effect that (i) the Successful Bidder has made a bona fide offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) of each stated maturity of the Bonds at the respective Initial Public Offering Prices set forth in its Proposal for Bonds, (ii) ten percent (10%) or more in par amount of each stated maturity of the Bonds was first sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at the Initial Public Offering Price for such stated maturity set forth in its Proposal for Bonds, and (iii) at the time such Successful Bidder submitted its bid and the related Initial Public Offering Prices set forth therein, based upon then prevailing market conditions, the fair market value of each stated maturity of the Bonds was the Initial
Public Offering Price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) set forth in its Proposal for Bonds, for such stated maturity of the Bonds. Such certificate shall also state (i) such other information reasonably requested by Bond Counsel to assist in establishing the issue price (within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended) of the Bonds and (ii) that such certificate is made to the best knowledge, information and belief of the Successful Bidder.

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

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

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

The obligations hereunder to deliver and to accept delivery of and pay for the Bonds shall be further conditioned upon the successful completion of certain escrow procedures and the availability and the delivery to the Successful Bidder on the Closing Date of (i) certificates in form and substance satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, (ii) a certificate of the Attorney General of the State of New Jersey, General Counsel to the Trust, dated the Closing Date, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Bonds or, in lieu of such statement, statements by the Attorney General that, in his opinion, the issues raised in any such pending or threatened litigation, insofar as they affect the validity of the Bonds, are without substance or that the contention of any plaintiffs therein that affects the validity of the Bonds is without merit, (iii) one manually signed copy of the Official Statement (as hereinafter defined), (iv) a supplemental opinion of Bond Counsel, including one copy thereof manually signed, to the effect that the Official Statement (other than the information contained under the caption “THE BONDS – Book-Entry-Only System” and in Appendices A, B, C and D thereto, the descriptions of the Projects, and all financial and statistical data contained therein, as to which no opinion need be expressed), as of its date and on the Closing Date, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, and (v) a certificate of the Acting Chairman/Vice-Chairman or Executive Director of the Trust stating that (a) the Official Statement (other than the information contained under the caption “THE BONDS – Book-Entry-Only System” and in Appendices G and H thereto, as to which no statement need be made), as of its date, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, and (b) there has been no material adverse change in the financial condition and affairs of the Trust during the period from the date of the Official Statement to and including the Closing Date that was not disclosed in or contemplated by the Official Statement.
Preliminary and Final Official Statements. The Trust, by accepting the Proposal for Bonds submitted by the Successful Bidder, (i) certifies to the Successful Bidder, as of the date of acceptance of such Proposal for Bonds, that the Preliminary Official Statement furnished to it prior to the date of such acceptance has been “deemed final” as of its date by the Trust within the meaning and for the purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended and supplemented (“Rule 15c2-12”), except for certain omissions permitted thereunder and except for changes permitted thereby and by other applicable law, (ii) agrees to provide the Successful Bidder, in order to permit the Successful Bidder to comply with Rule 15c2-12, up to 100 copies of the final Official Statement, substantially in the form of the Preliminary Official Statement with such changes thereto and insertions therein as shall be necessary to comply with Rule 15c2-12 (the “Official Statement”), to be disseminated by the Trust in connection with the sale by the Trust of the Bonds within the period of time allowed under Rule 15c2-12 for the dissemination thereof, at the sole cost and expense of the Trust, with any additional copies that the Successful Bidder shall reasonably request to be provided at the sole cost and expense of the Successful Bidder, and (iii) undertakes, through the adoption of the Resolution and through the execution and delivery of the Trust Continuing Disclosure Agreement for the Series 2016 Financing Program, to deliver certain information relating to the Series 2016 Financing Program as a material “obligated person” (within the meaning and for the purposes of Rule 15c2-12). The Successful Bidder, by executing its Proposal for Bonds, (i) agrees to provide (a) one copy of the final Official Statement to at least one “nationally recognized municipal securities information repository” within the meaning of Rule 15c2-12 (a “Repository”; as of the date hereof, the sole Repository designated by the SEC in accordance with Rule 15c2-12 is the Electronic Municipal Market Access facility for municipal securities disclosure of the Municipal Securities Rulemaking Board (the “MSRB”)) upon receipt of the final Official Statement from the Trust, and (b) one electronic copy of the final Official Statement (with any required forms) to the MSRB or its designee pursuant to MSRB Rule G-32 no later than ten business days following the date of acceptance of its bid, and (ii) the Successful Bidder further agrees to comply with all other applicable provisions of Rule 15c2-12 and MSRB Rule G-32. The Successful Bidder shall notify the Trust of (i) the date that is the “end of the underwriting period” relating to the Bonds within the meaning of Rule 15c2-12, and (ii) the date on which the final Official Statement is filed with a Repository and the MSRB or its designee. Copies of the Preliminary Official Statement may be obtained at the offices listed in the last paragraph of this Notice of Sale.

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

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

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

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

* * *

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

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

Robert A. Briant, Jr.
Acting Chairman/Vice-Chairman
New Jersey Environmental Infrastructure Trust

Dated: May 2, 2016
TRUST CONTINUING DISCLOSURE AGREEMENT

BY AND AMONG

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST,

[TRUSTEE],
as Trustee

AND

U.S. BANK TRUST NATIONAL ASSOCIATION
as Master Program Trustee

Dated as of [Date]

Entered into with respect to the New Jersey Environmental Infrastructure Trust’s [Bonds], dated [dated date]
TRUST CONTINUING DISCLOSURE AGREEMENT

THIS TRUST CONTINUING DISCLOSURE AGREEMENT (this "Agreement"), made and entered into as of [date], 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"), [TRUSTEE], as Trustee, a national banking association and trust company duly organized and validly existing under the laws of the United States and duly authorized to act in the State (the "Trustee"), and U.S. BANK TRUST NATIONAL ASSOCIATION, as Master Program Trustee, a national banking association and trust company duly organized and validly existing under the laws of the United States and duly authorized to act in the State (the "Master Program Trustee").

WITNESSETH THAT:

WHEREAS, the Trust, duly created and validly existing under and by virtue of the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 et seq.), as the same may from time to time be amended and supplemented (the "Act"), in accordance with and pursuant to (i) the Act, (ii) the [Bond Resolution], as adopted by the Board of Directors of the Trust on [date] (the "Resolution"), and (iii) a financial plan approved by the State Legislature in accordance with Section 23 of the Act, has issued its [Bonds] (the "Bonds") as part of the [2016] environmental infrastructure financing program (the "Program") for the purpose, inter alia, of making loans to, among others, any New Jersey municipality or county or municipal, county or regional sewerage, utilities or improvement authority, any other local political subdivision, or any private water company (each a "Borrower") authorized to construct, operate and maintain environmental infrastructure systems that has entered into a Loan Agreement with the Trust, dated as of [date] (each a "Trust Loan Agreement"), pursuant to which such Borrower will borrow money financed through the issuance of the Bonds (the "Trust Loan") to finance a portion of the cost of its environmental infrastructure system project (each a "Project") (all capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in Article I of the Trust Loan Agreement);

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

WHEREAS, the State Legislature, in accordance with Section 20 of the Act, has in the form of an appropriations act approved a project priority list that includes each Project and that authorizes an expenditure of proceeds of the Bonds to finance a portion of the Cost of the Project;

WHEREAS, the Trust has approved each Borrower's application for a Trust Loan from available proceeds of the Bonds to finance a portion of the Cost of the Project;
WHEREAS, the State, acting by and through the New Jersey Department of Environmental Protection, has simultaneously made a companion loan (each a "Fund Loan") to each of the Borrowers for the balance of the then eligible costs of each such Project, with the balance of any such costs funded by the Borrowers or by supplemental loans from the Trust and the State in other financing programs;

WHEREAS, each Borrower, in accordance with, as applicable, the Act, the Regulations, and WHEREAS, each Borrower, in accordance with, as applicable, the Act, the Regulations, the Borrower Enabling Act, the "Local Bond Law, as the same may from time to time be amended and supplemented, the "Municipal and County Utilities Authorities Law", constituting Chapter 183 of the Pamphlet Laws of 1957 of the State (codified at N.J.S.A. 40:14B-1 et seq.), as the same may from time to time be amended and supplemented, the "Sewerage Authorities Law", constituting Chapter 138 of the Pamphlet Laws of 1946 of the State (codified at N.J.S.A. 40:14A-2 et seq.), as the same may from time to time be amended and supplemented, the "County Improvement Authorities Law", constituting Chapter 183 of the Pamphlet Laws of 1960 of the State (codified at N.J.S.A. 40:37A-44 et seq.), as the same may from time to time be amended and supplemented, the "Local Authorities Fiscal Control Law", constituting Chapter 313 of the Pamphlet Laws of 1983 of the State (codified at N.J.S.A. 40A:5A--1 et seq.), as the same may from time to time be amended and supplemented, and ;the “New Jersey Business Corporation Act”, constituting Chapter 263 of the Pamphlet Laws of 1968 of the State (codified at N.J.S.A. 14A:1-1 et seq.), as the same may from time to time be amended and supplemented, has issued a Borrower bond to the Trust evidencing its Trust Loan and a Borrower bond to the State evidencing its Fund Loan on the date of issuance of the Bonds;

WHEREAS, the Trustee has duly accepted, as Trustee for the Holders from time to time of the Bonds, the trusts imposed upon it by the Resolution in connection with the issuance of the Bonds;

WHEREAS, pursuant to the terms and provisions of the Resolution the State’s right to receive Fund Loan repayments to be made by Borrowers is subordinate to the right of the Trust to receive Trust Loan repayments to be made by such Borrowers as security for the Bonds;

WHEREAS, pursuant to the terms and provisions of that certain Master Program Trust Agreement dated as of November 1, 1995 by and among the Trust, the State, acting by and through the State Treasurer on behalf of the State and the State Department of Environmental Protection, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder, as supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement dated as of November 1, 2001 by and among the United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A., (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the 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"), the State has agreed to subordinate further its right to receive Fund Loan repayments to be made pursuant to the Coverage Providing Financing Programs (as such term is defined in the Master Program Trust Agreement), which further subordination will occur through the payment by the loan servicers under the Coverage Providing Financing Programs of certain moneys into a "Master Program Trust Account" at the times and in the amounts set forth in the Master Program Trust Agreement, such moneys to be held by the Master Program Trustee as security for the Coverage Receiving Trust Bonds (as such term is defined in the Master Program Trust Agreement), including, without limitation, the Bonds;

WHEREAS, the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified as of the date hereof at 18 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 [date] (the "Notice of Sale"), the Preliminary Official Statement dated [date] (the "Preliminary Official Statement") and the Final Official Statement dated [date] (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 Trustee (or any successor thereto) for the purpose of satisfying Rule 15c2-12, and pursuant to the terms of such agreement each such Borrower is required to cause the delivery of the information described therein to the municipal securities marketplace for the period of time specified therein;

WHEREAS, the 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 Trustee and the Master Program Trustee for the purpose of satisfying Rule 15c2-12;
WHEREAS, on [Sale Date], the Trust accepted the bid of [Purchaser], 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 Trustee and the Master Program Trustee, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and for the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner.

NOW, THEREFORE, for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the Trust, the Trustee and the Master Program Trustee, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:
ARTICLE 1
DEFINITIONS

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

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

"Annual Report" means Financial Statements and Operating Data provided at least annually with respect to the 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 Note 7 to the audited financial statements of the Trust, attached as Appendix A to the Final Official Statement.

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

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

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

Section 1.3. Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms as used in this Agreement refer to this Agreement as a whole unless otherwise expressly stated. The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.
ARTICLE 2

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1. Continuing Disclosure Covenants of 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, 20__ (which ended on June 30, 20__), an Annual Report to each Repository in Prescribed Form.

(b) Not later than fifteen (15) days prior to the date with respect to each Fiscal Year specified in Section 2.1(a) hereof, a copy of the Annual Report, complete to the extent required in Section 2.1(a) hereof, to the Trustee and the Dissemination Agent (if the 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 Trustee (for informational purposes only):

   (i) Principal and interest payment delinquencies;

   (ii) Non-payment related defaults, if material;

   (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

   (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

   (v) Substitution of credit or liquidity providers or their failure to perform;

   (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

   (vii) Modifications to the rights of Bondholders, if material;

   (viii) Bond calls (other than regularly scheduled mandatory sinking fund redemptions for which notice of redemption has been given to the
Bondholders as required pursuant to the provisions of the Resolution), if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xiii) Bankruptcy, insolvency, receivership or similar event of any Obligated Person;

(xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor to the Trustee or the Master Program Trustee, appointment of an additional Trustee or Master Program Trustee, or the change of name of the Trustee or the Master Program Trustee, if material.

Section 2.2. Reserved.

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

(b) Any or all of the items that must be included in the Annual Report may be incorporated by reference from other documents, including official statements delivered in connection with other financings issued on behalf of the 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 Trustee. (a) If fifteen (15) days prior to the date specified in Section 2.1(a) hereof the Trustee has not received a copy of the Annual Report, complete to the extent required in Section 2.1(a)
hereof, the Trustee shall contact the 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 Trustee, 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 Trustee shall send a notice to each National Repository or to the MSRB and the State Depository, if any, in substantially the form attached hereto as Exhibit B together with any standard forms or cover sheets that may be required by the MSRB as of the date thereof, with a copy thereof to the 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 Trustee 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 Trustee (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 Trustee (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 Trustee. 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 Trustee, 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.

(d) The Trust, the Trustee and the Master Program trustee acknowledge that the Trust has not, as of the date of this Agreement, appointed or engaged any party, including, without limitation, the Trustee or the Master Program Trustee, to serve as Dissemination Agent.

Section 2.6. Responsibilities and Duties of Master Program Trustee. The Master Program Trustee, for the purposes of satisfying the requirements of Rule 15c2-12, hereby consents to the use by the 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 Trustee. Article X of the Resolution, as it relates to the immunities and liabilities of the Trustee, is hereby made applicable to the Trustee's responsibilities under this Agreement.
ARTICLE 3
REMEDIES

Section 3.1. Remedies. (a) The Trustee may, in reliance upon the advice of counsel (and at the request of the Holders of at least twenty-five percent (25%) in aggregate principal amount of the Bonds outstanding, after the provision of indemnity in accordance with Section 10.05 of the Resolution, shall), or any Bondholder may, for the equal benefit and protection of all Bondholders similarly situated, take whatever action at law or in equity against the 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 Trustee or any Bondholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Bondholder, as the case may be, then and in every such case the Trust, the Trustee and any Bondholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Trust, the Trustee 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 Trustee and the Master Program Trustee for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2. 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 Trustee, 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 Trustee and the Master Program Trustee, and any member, officer, official, employee, counsel, consultant and agent of the Trustee and the Master Program Trustee (collectively, the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by the 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 Trustee) addressed to, in the case of the Trust, P.O. Box 440, Trenton, New Jersey 08625 (Attention: Executive Director); in the case of the Trustee, its Corporate Trust Department at 21 South Street, 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 Trustee and the Master Program Trustee at any time and from time to time may enter into any amendments or modifications to this Agreement for any of the following purposes:

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

Section 4.11. Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State and the laws of the United States of America, as applicable.
Section 4.12. Commencement and Termination of Continuing Disclosure Obligations. The obligations of the Trust and the Trustee hereunder and the consent of the Master Program Trustee set forth in Section 2.6 hereof shall be in full force and effect from the date of issuance of the Bonds, and shall continue in effect until the date either (i) the Bonds are no longer outstanding in accordance with the terms of the Resolution or (ii) the Program no longer remains a material "obligated person" (as the term "obligated person" is defined in Rule 15c2-12) as a result of an interpretation of Rule 15c2-12, and in either event only after the 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. Other than as disclosed in the Official Statement, 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 Trustee and the Master Program Trustee and their respective successors and assigns.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, [TRUSTEE] and U.S. BANK TRUST NATIONAL ASSOCIATION, a national banking association, have caused this Agreement to be executed in their respective names, all as of the date first above written.

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

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

[TRUSTEE],
    as Trustee

By:_____________________________
    Vice President

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

By:_____________________________
    Name:
    Title:

[Signature Page]
EXHIBIT A

OBJECTIVE CRITERIA AS SET FORTH IN THE FINAL OFFICIAL STATEMENT
SECONDARY MARKET DISCLOSURE

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

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

Each Borrower has covenanted in its Trust Loan Agreement, for the benefit of the respective Bondholders, to enter into a Borrower Continuing Disclosure Agreement (the “Borrower Continuing Disclosure Agreement”) should it meet, at any time during the term of its respective Trust Loan, the material “obligated persons” test referred to above. Such Borrower Continuing Disclosure Agreement obligates any such Borrower to provide (i) certain financial information and operating data relating to such Borrower and the Participants and Indirect Participants, if any, of such Borrower, including, without limitation, audited financial statements, within 225 days after the end of each fiscal year for which any such Borrower Continuing Disclosure Agreement is in effect (the “Annual Report”), and (ii) notice to the Trust of the occurrence of certain enumerated events, if material. The specific nature of the information to be contained in the Annual Report and the notices of material events is summarized in Appendix F to the Final Official Statement – “SUMMARY OF THE SERIES 20__ TRUST LOAN AGREEMENTS (INCLUDING THE CONTINUING DISCLOSURE AGREEMENTS FOR THE SERIES 20__ BORROWERS), THE SERIES 20__ FUND LOAN AGREEMENTS AND THE OTHER COVERAGE PROVIDING FUND LOAN AGREEMENTS.”

The Borrower Continuing Disclosure Agreement further requires that the Annual Report shall be delivered by or on behalf of such Borrower to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC (each a “NRMSIR”) and to the State Information Depository recognized by the SEC (the “SID”), if any. Notices of material events
relating to the Trust Loan Bonds of such Borrower will be filed by such Borrower with the Trust, and the notices of material events relating to the Series 20__ Bonds will be filed directly by the Trust with each NRMSIR or with the Municipal Securities Rulemaking Board (the “MSRB”) and the SID, if any. As of the date of this Official Statement, the filing of any information with the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB shall satisfy the requirement to file such information with each NRMSIR. The obligations under the Borrower Continuing Disclosure Agreement shall continue through final maturity (stated or otherwise) of the Bonds, but shall terminate when any such material “obligated persons” shall no longer meet the material “obligated persons” test with respect to the Bonds. The Trust shall have no liability to the Bondholders or to any other person with respect to the secondary market disclosure of any such material “obligated persons.” See Appendix F to the Final Official Statement – “SUMMARY OF THE SERIES 20__ TRUST LOAN AGREEMENTS (INCLUDING THE CONTINUING DISCLOSURE AGREEMENTS FOR THE SERIES 20__ BORROWERS), THE SERIES 20__ FUND LOAN AGREEMENTS AND THE OTHER COVERAGE PROVIDING FUND LOAN AGREEMENTS”.

In light of the additional security provided for each series of the Bonds as a Coverage Receiving Financing Program (along with the current and all future Coverage Receiving Financing Programs) through certain Fund Loan repayments in Coverage Providing Financing Programs, the Trust has determined that only the Borrowers, Participants and Indirect Participants identified in the immediately succeeding paragraph (if any) will be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 for the Bonds. With respect to all other Borrowers, Participants and Indirect Participants, the Trust has determined that no financial or operating data is material to any decision to purchase, hold or sell the Bonds, and the Trust will not itself provide or cause any such Borrowers, Participants and Indirect Participants to provide any such information with respect to any such Borrowers, Participants and Indirect Participants.

As of the date of issuance of the Bonds, there are no Borrowers that meet this material “obligated persons” test for the Bonds. In addition, as of such issuance, no Participants or Indirect Participants meet this test with respect to the Bonds.

Based upon official interpretations of Rule 15c2-12, the Trust has determined that, in connection with the Bonds, the Series 20__ Financing Program relating to the Bonds is an “obligated person”, as defined in Rule 15c2-12. In addition, on the date of delivery of the Bonds, the Trust will enter into a Trust Continuing Disclosure Agreement (the “Trust Continuing Disclosure Agreement”; the Borrower Continuing Disclosure Agreement and the Trust Continuing Disclosure Agreement shall be referred to collectively herein as the “Continuing Disclosure Agreements”), for the benefit of the beneficial owners of the Bonds, pursuant to which the Trust will agree to comply on a continual basis with the disclosure requirements of Rule 15c2-12 relating to the Bonds. Specifically, the Trust will covenant to provide certain financial information relating to the Series 20__ Financing Program relating to the Bonds, which financial information will be similar to that provided herein in Note 7 to Appendix A to the Final Official Statement, relating to each existing and future Coverage Providing Financing Program (the “Financing Program Annual Report”) to each NRMSIR and the SID, if any. In addition, the Trust will covenant to provide notices of the occurrence of certain enumerated events, if material, relating to the Bonds to each NRMSIR or to the MSRB and the SID, if any. As of the
date of this Official Statement, the filing of any information with the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB shall satisfy the requirement to file such information with each NRMSIR. The specific nature of the information to be contained in the Annual Report and the notices of material events is summarized in Appendix E to the Final Official Statement – “SUMMARY OF THE SERIES 20__ BOND RESOLUTIONS, THE MASTER PROGRAM TRUST AGREEMENT AND THE TRUST CONTINUING DISCLOSURE AGREEMENT.”

The sole and exclusive remedy for breach of or default under the Continuing Disclosure Agreements to provide continuing disclosure as described above is an action to compel specific performance of the Continuing Disclosure Agreements by the parties thereto, and no person, including any holder of the Bonds, may recover monetary damages thereunder under any circumstances. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Agreements, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, shall no longer be required to be provided. The Continuing Disclosure Agreements also may be amended or modified without the consent of the holders of the Bonds under certain circumstances set forth therein. Copies of the Continuing Disclosure Agreements when executed by the parties thereto upon the delivery of the Bonds will be on file at the office of the Trustee.
EXHIBIT B

FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name Reporting Party: New Jersey Environmental Infrastructure Trust

Name of Bond Issue: New Jersey Environmental Infrastructure Trust "[Bonds]" dated [date]

Date of Issuance: [date]

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 as of [date] by and among the Trust, [Trustee], as Trustee, and U.S. Bank Trust National Association, a national banking association, as Master Program Trustee. [The Trust has advised the Trustee that it anticipates that the Annual Report will be filed by ___________.]

____________________,

as Trustee

By: ______________________

Name: 
Title: 

Dated: ___________________
RESOLUTION NO. 16 - 12

SUPPLEMENTAL BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF
ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS, SERIES 2016A-R1
(2008A FINANCING PROGRAM)
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Adopted April 14, 2016, as amended and supplemented by a
Certificate of an Authorized Officer of the Trust in accordance
with Section 6.01 hereof

Adopted Date: April 14, 2016
Motion Made By: Dan Kennedy
Motion Seconded By: Mark Longo
Ayes: 5
Nays: 0
Abstentions: 0
SUPPLEMENTAL BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF
ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS, SERIES 2016A-R1
(2008A FINANCING PROGRAM)
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

WHEREAS, on November 6, 2008, 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 2008A”, dated November 6, 2008, in the original aggregate principal amount of $128,450,000 (the “Series 2008A Bonds”), in accordance with the provisions of (i) the “Environmental Infrastructure Bond Resolution, Series 2008A” of the Trust, duly adopted by the Trust on September 16, 2008 (the “Original Series 2008A Bond Resolution”), (ii) the Act and (iii) all other applicable law;

WHEREAS, the primary share of the proceeds of the Series 2008A Bonds was applied by the Trust to the making of loans (the “Series 2008A Trust Loans”) to each of the Borrowers (as hereinafter defined) to finance or refinance approximately half of the then-eligible costs for the acquisition, construction, renovation and installation of their respective environmental infrastructure projects (the “Projects”), all in accordance with the New Jersey Environmental Infrastructure Financing Program, Series 2008A, 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 2008A Fund Loans”) to each of the Borrowers for approximately half of the then eligible costs of each such 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 2008A Trust Loans was evidenced by, as the case may be, revenue bonds issued by authority Borrowers and private water company Borrowers and general obligation bonds issued by municipal Borrowers (collectively, the “Series 2008A Borrower Trust Loan Bonds”) in accordance with all applicable law;

WHEREAS, the repayment obligation with respect to the Series 2008A Fund Loans was evidenced by, as the case may be, revenue bonds issued by authority Borrowers and private water company Borrowers and general obligation bonds issued by municipal Borrowers (collectively, the “Series 2008A Borrower Fund Loan Bonds”; the Series 2008A Borrower Trust Loan Bonds and the Series 2008A Borrower Fund Loan Bonds shall be referred to collectively herein as the “Series 2008A Borrower Bonds”) in accordance with all applicable law;
WHEREAS, the Series 2008A Bonds are principally secured by the Series 2008A Trust Loan repayment obligations of the Borrowers as evidenced by the Series 2008A Borrower Trust Loan Bonds;

WHEREAS, payment of the principal of and interest on the Series 2008A 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) (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, 2002, 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 savings (the “Gross Savings”) can be achieved upon the defeasance and refunding of all or a portion of the Series 2008A Bonds, through the implementation of the hereinafter defined 2016 Refunding of the Series 2008A Bonds to be Refunded (net of all costs incurred in connection therewith, the “Savings”);

WHEREAS, Section 2.04(1) of the Original Series 2008A Bond Resolution and the terms of this Series 2016A-R1 Refunding Supplemental Bond Resolution (as hereinafter defined) authorize the issuance of the hereinafter defined Series 2016A-R1 Refunding Bonds as “Refunding Bonds” to achieve the 2016 Refunding of the Series 2008A Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original Series 2008A Bond Resolution;

WHEREAS, payment of the principal of and interest on the Series 2016A-R1 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 2016A-R1 (2008A Financing Program)”, 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 of the Trust upon the issuance thereof in accordance with the terms of this
Series 2016A-R1 Refunding Supplemental Bond Resolution (the “Series 2016A-R1 Refunding Bonds”), all pursuant to the terms of (i) the Original Series 2008A Bond Resolution, as amended and supplemented by this “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R1 (2008A Financing Program) of the New Jersey Environmental Infrastructure Trust”, adopted by the Trust on April 14, 2016, as amended and supplemented by a certificate of an Authorized Officer of the Trust, dated the date of issuance of the Series 2016A-R1 Refunding Bonds (as amended and supplemented, the “Series 2016A-R1 Refunding Supplemental Bond Resolution”; the Original Series 2008A Bond Resolution, as amended and supplemented by this Series 2016A-R1 Refunding Supplemental Bond Resolution and as the same may be further amended and supplemented from time to time in accordance with its terms, the “Series 2008A Bond Resolution”), (ii) the Act, and (iii) all other applicable law;

WHEREAS, upon issuance of the Series 2016A-R1 Refunding Bonds, the Trust shall establish an escrow fund (the “Defeased Series 2008A Bond Escrow Fund”) in accordance with the terms of that certain “Escrow Deposit Agreement, Series 2016A-R1 (2008A Financing Program)”, to be dated the date of issuance of the Series 2016A-R1 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “Defeased Series 2008A Bond Escrow Deposit Agreement”), by and between the Trust and The Bank of New York Mellon, Woodland Park, New Jersey (the original Trustee pursuant to the Original Series 2008A Bond Resolution), as Defeased Series 2008A Bond Escrow Agent (or any successor thereto, the “Defeased Series 2008A Bond Escrow Agent”) thereunder;

WHEREAS, upon issuance of the Series 2016A-R1 Refunding Bonds, the Trust will cause a portion of the proceeds thereof to be deposited in the Defeased Series 2008A 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 1, 2016 through and including September 1, 2018 (the “Redemption Date”) on a portion of the Outstanding Series 2008A Bonds otherwise maturing on September 1, 2019 through and including September 1, 2028 (collectively, the “Series 2008A Bonds to be Refunded”), (ii) all of the principal of the Series 2008A Bonds to be Refunded on the Redemption Date, and (iii) the redemption premium, if any, applicable to redeeming all of the Series 2008A Bonds to be Refunded on the Redemption Date (collectively, the “2016 Refunding of the Series 2008A Bonds to be Refunded”);

WHEREAS, upon issuance of the Series 2016A-R1 Refunding Bonds, the Trust will finance the 2016 Refunding of the Series 2008A Bonds to be Refunded with deposits into the Defeased Series 2008A Bond Escrow Fund from the following sources: (i) from a portion (consisting of the majority share) of the proceeds of the Series 2016A-R1 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 2008A Bond Resolution and held by The Bank of New York Mellon, Woodland Park, New Jersey, as Trustee (or any successor thereto, the “Trustee”) thereunder, all as set forth in this Series 2016A-R1 Refunding Supplemental Bond Resolution, a Certificate of an Authorized Officer of the Trust and, to the extent the 2016 Refunding of the Series 2008A Bonds to be Refunded is financed with deposits into the Defeased Series 2008A Bond Escrow Fund, in the Defeased Series 2008A Bond Escrow Deposit Agreement;
WHEREAS, upon issuance of the Series 2016A-R1 Refunding Bonds, the Trust, in accordance with the Act, the Series 2008A Bond Resolution and a financial plan approved by the State Legislature in accordance with Section 23 of the Act will (i) issue the Series 2016A-R1 Refunding Bonds for the purpose of applying the primary share of the proceeds thereof toward the 2016 Refunding of the Series 2008A 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 each of the Borrowers their pro rata portion of the Savings achieved from debt service on the 2016 Refunding of the Series 2008A Bonds to be Refunded as an additional credit to their existing Series 2008A Trust Loans; provided, however, that an Authorized Officer of the Trust may withhold from the Borrowers a portion of the of the Savings, to the extent that it is reasonably required to reimburse the Trust for direct out of pocket costs of issuing the Series 2016A-R1 Refunding Bonds that have been paid by the Trust and not otherwise financed from the proceeds of the Series 2016A-R1 Refunding Bonds, the amount of which portion, if any, shall be set forth on the Savings Credit Schedules (as hereinafter defined) under the heading “Withheld Savings” (the “Withheld Savings”);

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 the Program 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 2016A-R1 Refunding Bonds, as the term “obligated person” is defined in Rule 15c2-12, based upon criteria set forth in this Series 2016A-R1 Refunding Supplemental Bond Resolution;

WHEREAS, prior to or simultaneously with the issuance of the Series 2016A-R1 Refunding Bonds, each such Disclosure Borrower, if any, shall enter into a separate “Series 2016A-R1 Continuing Disclosure Agreement (2008A Financing Program)”, to be dated the date of issuance of the Series 2016A-R1 Refunding Bonds, with the Trustee and the Trust (as the same may be further amended and supplemented from time to time in accordance with their respective terms, the “Series 2016A-R1 Borrower Continuing Disclosure Agreements”), for the purpose of satisfying Rule 15c2-12, as Rule 15c2-12 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 2016A-R1 Refunding Bonds, the Trust shall enter into a “Series 2016A-R1 Trust Continuing Disclosure Agreement (2008A Financing Program)”, to be dated the date of issuance of the Series 2016A-R1 Refunding Bonds, with the Trustee (as the same may be further amended and supplemented from time to time in accordance with the terms thereof, the “Series 2016A-R1 Trust Continuing Disclosure Agreement”; the Series 2016A-R1 Borrower Continuing Disclosure Agreements and the Series 2016A-R1 Trust Continuing Disclosure Agreement shall be referred to collectively herein as the “Series 2016A-R1 Continuing Disclosure Agreements”), for the purpose of satisfying Rule 15c2-12, as Rule 15c2-12 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 2016A-R1 REFUNDING SUPPLEMENTAL BOND RESOLUTION

SECTION 1.01. Definitions.

(A) As used in this Series 2016A-R1 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 Original Series 2008A Bond Resolution, as amended and supplemented.

(B) The following capitalized terms set forth in this Series 2016A-R1 Refunding Supplemental Bond Resolution shall have the respective meanings ascribed to such terms in the recitals to this Series 2016A-R1 Refunding Supplemental Bond Resolution:

Act
Defeased Series 2008A Bond Escrow Agent
Defeased Series 2008A Bond Escrow Deposit Agreement
Defeased Series 2008A Bond Escrow Fund
DEP
Gross Savings
Original Series 2008A Bond Resolution
Outstanding Series 2008A Bonds
Projects
Program
Redemption Date
Rule 15c2-12
Savings
SEC
Securities Exchange Act
Series 2008A Bond Resolution
Series 2008A Bonds
Series 2008A Bonds to be Refunded
Series 2008A Borrower Bonds
Series 2008A Borrower Fund Loan Bonds
Series 2008A Borrower Trust Loan Bonds
Series 2008A Fund Loans
Series 2008A Trust Loans
Series 2016A-R1 Continuing Disclosure Agreements
Series 2016A-R1 Borrower Continuing Disclosure Agreements
Series 2016A-R1 Refunding Bonds
Series 2016A-R1 Refunding Supplemental Bond Resolution
Series 2016A-R1 Trust Continuing Disclosure Agreement
State
Trust
Trustee
2016 Refunding of the Series 2008A Bonds to be Refunded
Withheld Savings

(C) In addition, as used in this Series 2016A-R1 Refunding Supplemental Bond Resolution, unless the context requires otherwise, the following terms shall have the following meanings:

“Borrowers” shall mean individually or collectively, as the case may be, each local governmental unit that previously has received a Series 2008A Trust Loan and, in accordance with this Series 2016A-R1 Refunding Supplemental Bond Resolution, will receive its pro rata share of the Savings, less the Withheld Savings, if any.

“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 2016A-R1 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 2016A-R1 Refunding Bonds.

“Savings Credit” shall mean the pro rata portion of the Savings, other than the Withheld Savings, if any, 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, if any, 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.

“Trust Conditions Precedent” shall mean the written approval of the Governor and Treasurer of the State of this Series 2016A-R1 Refunding Supplemental Bond Resolution in satisfaction of the requirements of Section 4(j) of the Act.

(D) In addition, the definition of the following term in Section 1.01 of the Original Series 2008A Bond Resolution are hereby amended to the extent provided below:

The definition of “Bond Year” in Section 1.01 of the Original Series 2008A Bond Resolution is hereby amended to include at the end thereof the following:

“, and with respect to the Series 2016A-R1 Refunding Bonds, 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 with respect to the Series 2016A-R1 Refunding Bonds shall be a
period commencing on the date of issuance of the Series 2016A-R1 Refunding Bonds hereunder and ending on August 31, 2016.”

SECTION 1.02. Authority for Supplemental Bond Resolution. This Series 2016A-R1 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 the Original Series 2008A Bond Resolution, as amended and supplemented.
ARTICLE II

AUTHORIZATION AND DETAILS OF SERIES 2016A-R1 REFUNDING BONDS

SECTION 2.01. [Reserved].

SECTION 2.02. Issuance of Series 2016A-R1 Refunding Bonds; Parity Nature of Bonds; Savings.

(A) The Trust hereby declares the issuance of the Series 2016A-R1 Refunding Bonds to be an authorized undertaking of the Trust pursuant to the Act and Section 2.04(1) of the Original Series 2008A Bond Resolution, 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) In accordance with the terms of the Series 2008A Bond Resolution, upon the issuance of the Series 2016A-R1 Refunding Bonds in accordance with the terms hereof, the Holders of the Series 2016A-R1 Refunding Bonds will be equally and ratably entitled to the benefit of the pledge of the Trust Estate under the Series 2008A Bond Resolution with the Holders of any other Series of Bonds to be issued under the Series 2008A Bond Resolution, including, without limitation, the moneys and securities in the Debt Service Fund and the rights to the Loan Repayments. Accordingly, all of the Outstanding Bonds shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2008A Bond Resolution.

(C) The Trust shall create two Loan Repayment schedules for each of the Series 2008A Trust Loans (collectively, the “Loan Repayment Schedules”): (i) the first, reflecting the Loan Repayments that are allocable to the Series 2016A-R1 Refunding Bonds until the maturity thereof; and (ii) the second, reflecting the Loan Repayments that are allocable to the Outstanding Series 2008A Bonds until the maturity thereof. At its election, the Trust may present such Loan Repayment Schedules in a consolidated format. In addition, the Trust shall prepare a consolidated schedule (the “Savings Credit Schedules”) that reflects the Savings to be realized by each Borrower with respect to its Series 2008A Trust Loan through the implementation of the 2016 Refunding of the Series 2008A Bonds to be Refunded. The Loan Repayment Schedules and the Savings Credit Schedule shall be provided by the Trust to each Borrower promptly following the issuance by the Trust of the Series 2016A-R1 Refunding Bonds. The Loan Repayments to be made by the Borrowers shall be allocated by the Trustee on a pro rata basis to the respective Accounts within the Revenue Fund relating to each Series of Bonds; thereafter, disbursements shall be made by the Trustee to the respective Accounts within the Debt Service Fund for each Series of Bonds for payment of the principal and redemption premium, if any, of and the interest on each such Series of Bonds.

(D) Upon issuance of the Series 2016A-R1 Refunding Bonds, the aggregate of the sum of the principal amount of the Series 2016A-R1 Refunding Bonds and the principal amount of the Outstanding Series 2008A Bonds (collectively, the “Outstanding Bonds”) shall be equal to
or less than the aggregate principal amount of the Series 2008A Borrower Trust Loan Bonds that are outstanding as of such date of issuance of the Series 2016A-R1 Refunding Bonds. Upon the allocation of the Savings to the Borrowers through the Savings Credits and to the Trust through the Withheld Savings, if any, the aggregate principal amount of the Series 2008A Borrower Trust Loan Bonds, net of the Savings Credits and the Withheld Savings, if any, shall equal the aggregate principal amount of the Outstanding Bonds. Notwithstanding any provision to the contrary in the Series 2008A Bond Resolution and in light of the foregoing, to the extent there is an acceleration of the then Outstanding Bonds, the Trustee might receive Loan Repayments earmarked to pay the principal amount of the accelerated Outstanding Bonds in excess of said Outstanding Bonds. In such case, any such excess amount shall be deposited by the Trustee in the General Fund to be used by the Trust free and clear of any lien created under the Series 2008A Bond Resolution for any corporate purpose of the Trust.

(E) The Trustee shall take into account as a credit to the Loan Repayments otherwise due from the Borrower on each such Loan Repayment date the Savings, other than the Withheld Savings, if any, specified in such the Savings Credit Schedule.

(F) On the date that is no more than 180 days after the date of issuance of the Series 2016A-R1 Refunding Bonds, any moneys remaining in the Costs of Issuance Account in the Operating Expense Fund shall be paid by the Trust to the Trustee for deposit in the Debt Service Fund to be used to pay interest on the Series 2016A-R1 Refunding Bonds on the first available Interest Payment Date.

SECTION 2.03. Authorization and Terms of the Series 2016A-R1 Refunding Bonds.

(A) The Trust hereby authorizes the issuance of the Series 2016A-R1 Refunding Bonds in the aggregate principal amount not to exceed an amount such that the aggregate principal amount of the Outstanding Bonds equals the aggregate principal amount of the Outstanding Series 2008A 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, if any), 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: (i) the 2016 Refunding of the Series 2008A Bonds to be Refunded and (ii) the payment of certain expenses incurred in connection with the issuance of the Series 2016A-R1 Refunding Bonds. Notwithstanding any provision of this Section 2.03(A) or this Series 2016A-R1 Refunding Supplemental Bond Resolution to the contrary, the Series 2016A-R1 Refunding Bonds shall not be issued by the Trust until satisfaction in full of the Trust Conditions Precedent.

(B) The Series 2016A-R1 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 September 1, 2016 and semiannually thereafter on March 1 and September 1 in each year until final maturity (stated or otherwise). Interest on the Series 2016A-R1 Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months. The Series 2016A-R1 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 2016A-R1 Refunding Bonds shall, except as provided in this subsection (B) and in subsection (C) and Section 2.08 below, be payable as otherwise provided in the Original Series 2008A Bond Resolution, as amended and supplemented. Except as provided in subsection (C) and Section 2.08 below, interest shall be paid to the registered owner as of the applicable Record Date by check mailed on any applicable Interest Payment Date.

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<tr>
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(C) The Series 2016A-R1 Refunding Bonds shall be dated the date of issuance thereof, shall be numbered with the prefix 2016A-R1-R from 1 consecutively upward, and will be issued in fully registered form. When issued, the Series 2016A-R1 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 2016A-R1 Refunding Bonds will be delivered to DTC in single denominations for each maturity thereof. Purchases of the Series 2016A-R1 Refunding Bonds will be made in book-entry form (without certificates) in denominations of $5,000 each or any integral multiple thereof. The Series 2016A-R1 Refunding Bonds will be issued in denominations of $5,000 each or any integral multiple thereof.

Notwithstanding any other provision in the Series 2008A Bond Resolution to the contrary, so long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2016A-R1 Refunding Bonds, payments of the principal of and interest on the Series 2016A-R1 Refunding Bonds will be made directly to Cede & Co., as nominee for DTC, in accordance with the provisions of the DTC Representation Letter, and interest shall be paid on each Interest Payment Date by wire transfer from the Paying Agent 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 2016A-R1 Refunding Bonds is the responsibility of the DTC participants.

(D) The Series 2016A-R1 Refunding Bonds shall constitute a single Series of Bonds, and each shall be designated “Environmental Infrastructure Refunding Bond, Series 2016A-R1 (2008A Financing Program)”.

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(A) Optional Redemption. The Series 2016A-R1 Refunding Bonds are not subject to optional redemption prior to their stated maturities.

(B) Mandatory Sinking Fund Redemption. The Series 2016A-R1 Refunding Bonds are not subject to mandatory sinking fund redemption prior to their stated maturities.

SECTION 2.05. Form of Series 2016A-R1 Refunding Bonds. The Series 2016A-R1 Refunding Bonds shall be in substantially the form set forth in Section 14.01 of the Original Series 2008A Bond Resolution, as amended and supplemented, with such insertions, omissions or variations as may be necessary or appropriate to effectuate the purposes of this Series 2016A-R1 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 2016 Refunding of the Series 2008A Bonds to be Refunded.

SECTION 2.06. Execution, Authentication and Delivery. The Chairman or Vice Chairman of the Trust are each hereby severally authorized to execute the Series 2016A-R1 Refunding Bonds, and the Secretary and Assistant Secretary of the Trust are hereby severally authorized to attest to the execution of the Series 2016A-R1 Refunding Bonds by the Chairman or Vice Chairman of the Trust and to affix the corporate seal of the Trust upon the Series 2016A-R1 Refunding Bonds, all in accordance with Article III of the Original Series 2008A Bond Resolution, as amended and supplemented. Following execution of the Series 2016A-R1 Refunding Bonds, any Authorized Officer is hereby authorized to deliver the Series 2016A-R1 Refunding Bonds to the Trustee for authentication. The Trustee is hereby authorized and directed to authenticate the Series 2016A-R1 Refunding Bonds in accordance with Article III of the Original Series 2008A Bond Resolution, as amended and supplemented. The Trustee is hereby authorized and directed to authenticate the Series 2016A-R1 Refunding Bonds in accordance with Article III of the Original Series 2008A Bond Resolution, as amended and supplemented. Following execution of the Series 2016A-R1 Refunding Bonds, any Authorized Officer is hereby authorized to deliver the Series 2016A-R1 Refunding Bonds to the Trustee for authentication. The Trustee is hereby authorized and directed to authenticate the Series 2016A-R1 Refunding Bonds in accordance with Article III of the Original Series 2008A Bond Resolution, as amended and supplemented. Following execution of the Series 2016A-R1 Refunding Bonds, any Authorized Officer is hereby authorized to deliver the Series 2016A-R1 Refunding Bonds to the Trustee for authentication. The Trustee is hereby authorized and directed to authenticate the Series 2016A-R1 Refunding Bonds in accordance with Article III of the Original Series 2008A Bond Resolution, as amended and supplemented.

SECTION 2.07. Refunding Bonds. After execution of the Series 2016A-R1 Refunding Bonds by the Trust as provided in the Series 2008A Bond Resolution and after the authentication and delivery thereof as also provided in the Series 2008A Bond Resolution, the Series 2016A-R1 Refunding Bonds shall constitute Refunding Bonds in accordance with Article II of the Original Series 2008A Bond Resolution, as amended and supplemented.

SECTION 2.08. Book-Entry Format. The Series 2016A-R1 Refunding Bonds shall be registered in the name of Cede & Co., and shall be issued in accordance with the terms of the DTC Representation Letter and the provisions of Article II of the Original Series 2008A Bond Resolution, as amended and supplemented.
ARTICLE III

CREATION AND ESTABLISHMENT OF DEFEASED SERIES 2008A BOND ESCROW FUND AND SEPARATE ACCOUNTS WITHIN ALL FUNDS; APPLICATION OF SERIES 2016A-R1 REFUNDING BOND PROCEEDS AND TAX CERTIFICATE

SECTION 3.01. Creation of Defeased Series 2008A Bond Escrow Fund, Separate Accounts within all Funds and Certain Other Accounts and Funds.


(B) Section 5.01 of the Original Series 2008A Bond Resolution is hereby amended and supplemented as follows: The Trust hereby directs the Trustee to establish separate subaccounts, as necessary, for the Series 2016A-R1 Refunding Bonds within each Account created under the Series 2008A Bond Resolution that is held by the Trustee. The Trust hereby further directs the Trustee to establish separate Accounts, as necessary, for the Series 2016A-R1 Refunding Bonds within each Fund created under the Series 2008A Bond Resolution that is held by the Trustee. The Trust is hereby authorized and directed to establish separate subaccounts, as necessary, within each Account created under the Series 2008A Bond Resolution that is held by the Trust. The Trust is hereby authorized and directed to establish separate Accounts, as necessary, within each Fund created under the Series 2008A Bond Resolution that is held by the Trust.

SECTION 3.02. Amendment of Section 5.05 of the Original Series 2008A Bond Resolution. Section 5.07(1) of the Original Series 2008A Bond Resolution is hereby amended to include at the end thereof the following paragraph 7:

“7. 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, if any, with respect to such Interest Payment Date, as set forth on the Savings Credit Schedules, which Withheld Savings, if any, shall be applied by the Trust in accordance with the provisions of Section 5.03(4) hereof.”

SECTION 3.03. [Reserved.].

SECTION 3.04. Application of the Proceeds of the Series 2016A-R1 Refunding Bonds and Other Moneys. The proceeds of the Series 2016A-R1 Refunding Bonds of $____________ (par of $____________, plus original issue premium of $__________, less underwriters' discount of $__________), shall be received by the Trustee, and the Trustee shall
deposit or transfer such proceeds, together with (i) such amounts on deposit in the respective Funds and Accounts under the Series 2008A Bond Resolution as shall be set forth in a Certificate of an Authorized Officer of the Trust and (ii) such amounts to be paid by the Trust with respect to the costs of issuing the Series 2016A-R1 Refunding Bonds pursuant to Section 3.06 hereof, into the Funds and Accounts as shall be set forth in a Certificate of an Authorized Officer of the Trust, to effect the 2016 Refunding of the Series 2008A Bonds to be Refunded; provided that the origin of moneys for such funds shall comply in all respects with the Series 2008A Bond Resolution, as amended and supplemented, and the Code.

SECTION 3.05. Tax Exempt Status of Series 2016A-R1 Refunding Bonds. The Trust covenants to comply with the provisions of the Code applicable to the Series 2016A-R1 Refunding Bonds and covenants not to take any action or fail to take any action that would cause the interest on the Series 2016A-R1 Refunding Bonds to become includable in gross income of the owners thereof for Federal income tax purposes under Section 103 of the Code or to become an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In accordance therewith, the Trust hereby authorizes and directs an Authorized Officer to execute a tax certificate prior to the issuance of the Series 2016A-R1 Refunding Bonds in such form as specified by Bond Counsel to the Trust.

SECTION 3.06. Payment of Costs of Issuing the Series 2016A-R1 Refunding Bonds. In connection with the issuance of the Series 2016A-R1 Refunding Bonds, the Trust hereby severally authorizes and directs the Authorized Officers to pay to the Trustee or the direct payee, as appropriate, from amounts available to the Trust for such purposes, the sum required to pay those costs of issuing the Series 2016A-R1 Refunding Bonds that are not permitted to be paid from the proceeds of the Series 2016A-R1 Refunding Bonds pursuant to the Code, if any, including, without limitation, such costs in respect of underwriters’ discount with respect to the Series 2016A-R1 Refunding Bonds. The amount to be paid by the Trust pursuant to this Section 3.06, if any, shall be set forth in, and applied pursuant to, a Certificate of an Authorized Officer of the Trust.
SECTION 4.01. Appointment of Trustee. The Bank of New York Mellon, Woodland Park, New Jersey, is hereby appointed Trustee for the holders of the Series 2016A-R1 Refunding Bonds. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2008A Bond Resolution by executing the certificate of authentication endorsed upon the Series 2016A-R1 Refunding Bonds upon the original issuance thereof. All of the provisions set forth in Article X or otherwise of the Original Series 2008A Bond Resolution, as amended and supplemented, relating to the Trustee shall be applicable to the Trustee with respect to the Series 2016A-R1 Refunding Bonds as if fully set forth herein.

SECTION 4.02. Appointment of Paying Agent. The Bank of New York Mellon, Woodland Park, New Jersey, is hereby appointed Paying Agent for the Series 2016A-R1 Refunding Bonds. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2008A Bond Resolution by executing and delivering a written acceptance thereof to the Trust and to the Trustee. The Trustee may be appointed and may serve as Paying Agent for the Series 2016A-R1 Refunding Bonds. All of the provisions set forth in Article X or otherwise of the Original Series 2008A Bond Resolution, as amended and supplemented, relating to the Paying Agent shall be applicable to the Paying Agent with respect to the Series 2016A-R1 Refunding Bonds as if fully set forth herein.

SECTION 4.03. Appointment of Defeased Series 2008A Bond Escrow Agent. The Bank of New York Mellon, Woodland Park, New Jersey, is hereby appointed Defeased Series 2008A Bond Escrow Agent for the Series 2008A Bonds to be Refunded. In such event, the Defeased Series 2008A Bond Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Defeased Series 2008A Bond Escrow Deposit Agreement by executing and delivering same.
ARTICLE V

DEFEASED SERIES 2008A BOND ESCROW DEPOSIT AGREEMENT,
SERIES 2016A-R1 CONTINUING DISCLOSURE AGREEMENTS,
OFFICIAL STATEMENT AND SALE OF THE SERIES 2016A-R1 REFUNDING
BONDS

SECTION 5.01. Defeased Series 2008A Bond Escrow Deposit Agreement and Series
2016A-R1 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
2008A Bond Escrow Deposit Agreement and the Series 2016A-R1 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 such
Defeased Series 2008A Bond Escrow Deposit Agreement and Series 2016A-R1 Continuing
Disclosure Agreements; provided, however, that the Defeased Series 2008A Bond Escrow
Deposit Agreement shall in any event conform with all of the requirements for the defeasance of
the Series 2008A Bonds to be Refunded as set forth in the Series 2008A Bond Resolution,
particularly Article XII of the Original Series 2008A Bond Resolution, as amended and
supplemented, and such Defeased Series 2008A Bond Escrow Deposit Agreement and Series
2016A-R1 Continuing Disclosure Agreements shall otherwise conform in all material respects to
the provisions of this Article V.

(B) 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 2008A 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 2008A Bond Escrow Fund
established in accordance with the terms of the Defeased Series 2008A Bond Escrow Deposit
Agreement, as applicable, 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 2008A 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, to secure the appointment of an independent nationally recognized certified public accountant, which shall, in accordance with the requirements of Section 2.04(e) of the Original Series 2008A Bond Resolution, as amended and supplemented, prepare and deliver to the Trust and the Trustee a verification report with respect to the matters set forth in Sections 2.04(c), 2.04(d) and, if applicable, 2.04(f) of the Original Series 2008A Bond Resolution, 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 2016A-R1 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 2016A-R1 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 2016A-R1 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 2016A-R1 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 2016A-R1 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 2016A-R1 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 2016A-R1 Refunding Bonds a notice of sale with respect to the Series 2016A-R1 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 2016A-R1 Refunding Bonds; (ii) the criteria pursuant to which the award of the Series 2016A-R1 Refunding Bonds shall be made by the Trust; (iii) the date and time at which proposals for the purchase of the Series 2016A-R1 Refunding Bonds shall be accepted by the Trust; and (iv) the method by which the bidders for the purchase of the Series 2016A-R1 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 2016A-R1 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 2016A-R1 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 2016A-R1 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 2016A-R1 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 2016 Refunding of the Series 2008A 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 2016A-R1 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 2016A-R1 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 2016A-R1 Refunding Supplemental Bond Resolution. Notwithstanding any other provision herein to the contrary, the Series 2016A-R1 Refunding Bonds shall not be issued until the Trustee receives a Certificate of an Authorized Officer setting forth (i) the aggregate principal amount of Series 2016A-R1 Refunding Bonds to be issued, (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 2016A-R1 Refunding Bonds and the amounts and sources of funds to be deposited in the Defeased Series 2008A Bond Escrow Fund (iii) any changes to the Series 2008A Bond Resolution required (1) by any Rating Agency rating the Series 2016A-R1 Refunding Bonds or (2) to ensure that interest is excludable from the gross income of the Holders of the Series 2016A-R1 Refunding Bonds pursuant to the Code, (iv) that the amount of Savings is equal to or greater than three percent (3%) of the principal amount of the Series 2008A Bonds to be Refunded on a net present value basis, (v) the Savings Credit Schedules and the Withheld Savings, if any, relating to each respective Borrower, (vi) the Disclosure Borrowers, if any, as determined pursuant to the criteria set forth in Section 6.05 hereof, and (vii) subject to the parameters set forth in the definition of Series 2016A-R1 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 2016A-R1 Refunding Supplemental Bond Resolution, as originally adopted on April 14, 2016, deemed necessary, desirable or convenient by any such Authorized Officer to sell the Series 2016A-R1 Refunding Bonds at the lowest cost and with the greatest Savings to effect the 2016 Refunding of the Series 2008A Bonds to be Refunded, the contents of which Certificate may be incorporated in this Series 2016A-R1 Refunding Supplemental Bond Resolution without compliance with any other provision of the Series 2008A Bond Resolution, including, without limitation, Article XI of the Original Series 2008A Bond Resolution, 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 2016A-R1 Refunding Supplemental Bond Resolution to Govern. To the extent that the provisions of this Series 2016A-R1 Refunding Supplemental Bond Resolution are inconsistent with the provisions of the Original Series 2008A Bond Resolution, the provisions of this Series 2016A-R1 Refunding Supplemental Bond Resolution shall control.

SECTION 6.02. 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 2016A-R1 Refunding Bonds, (ii) to effect the 2016 Refunding of the Series 2008A Bonds to be Refunded, and (iii) to maintain the exclusion from gross income under Section 103 of the Code of the interest on the Series 2016A-R1 Refunding Bonds and the Series 2008A Bonds to be Refunded (including the preparation and filing of any information reports or other documents...
with respect to the Series 2016A-R1 Refunding Bonds or the Series 2008A Bonds to be Refunded as may at any time be required under Section 149 of the Code).

SECTION 6.03. Series 2016A-R1 Refunding Supplemental Bond Resolution Amendments. This Series 2016A-R1 Refunding Supplemental Bond Resolution may be amended and supplemented prior to the issuance of the Series 2016A-R1 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 the Original Series 2008A Bond Resolution, 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 the Series 2008A Bond Resolution relating to the amendment or supplement to a Supplemental Resolution.

SECTION 6.05. Continuing Disclosure. Prior to the issuance of the Series 2016A-R1 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 2016A-R1 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 Series 2008A 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 Series 2008A 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 Series 2008A Trust Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materially secure the remaining Series 2008A Fund Loan repayments and the Series 2008A 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 2016A-R1 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 the Program is an “obligated person”. Accordingly, the Trust hereby covenants to provide on behalf of the Program notice of Bond Disclosure Events (as defined in the Series 2016A-R1 Trust Continuing Disclosure Agreement), if material, with respect to the Series 2016A-R1 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 the Original Series 2008A Bond Resolution, 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. [Reserved.]

SECTION 6.07. Effective Date. This Series 2016A-R1 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 2016A-R1 Refunding Supplemental Bond Resolution.
EXHIBIT A

FORMS OF DEFEASED SERIES 2008A BOND ESCROW DEPOSIT AGREEMENT AND SERIES 2016A-R1 CONTINUING DISCLOSURE AGREEMENT
ESCROW DEPOSIT AGREEMENT,
SERIES 2016A-R1 (2008A FINANCING PROGRAM)

Dated May 26, 2016

between

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

and

THE BANK OF NEW YORK MELLON,
as Defeased Series 2008A Bond Escrow Agent
ESCROW DEPOSIT AGREEMENT,
SERIES 2016A-R1 (2008A FINANCING PROGRAM)

THIS ESCROW DEPOSIT AGREEMENT, SERIES 2016A-R1 (2008A FINANCING PROGRAM), dated May 26, 2016, 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 THE BANK OF NEW YORK MELLON, as Defeased Series 2008A Bond Escrow Agent;

WITNESSETH:

WHEREAS, on November 6, 2008, 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 2008A" dated November 6, 2008, in the original aggregate principal amount of $124,450,000 (the "Series 2008A Bonds") in accordance with the provisions of the "Environmental Infrastructure Bond Resolution, Series 2008A" of the Trust duly adopted by the Trust on September 16, 2008 (the "Original 2008A Bond Resolution"), the Act and all other applicable law;

WHEREAS, the primary share of the proceeds of the Series 2008A Bonds were applied by the Trust to the making of loans (the "Series 2008A Trust Loans") to each of the Series 2008A Borrowers (as defined in the hereinafter defined Series 2016A-R1 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 Environmental Infrastructure Financing Program, Series 2008A, 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 2008A Fund Loans") to each of the Series 2008A Borrowers for the balance of the then eligible costs of each such Project, with the balance of any such costs funded by the Series 2008A Borrowers or by supplemental loans from the Trust and the State in other Programs;

WHEREAS, the Series 2008A Trust Loans were evidenced by revenue bonds issued by authority Series 2008A Borrowers and, if other Series 2008A Borrowers received Series 2008A Trust Loans, by general obligation bonds issued by such other Series 2008A Borrowers (collectively, the "Series 2008A Local Unit Trust Loan Bonds") in accordance with all applicable law;
WHEREAS, the Series 2008A Fund Loans were evidenced by revenue bonds issued by authority Series 2008A Borrowers and, if other Series 2008A Borrowers received Series 2008A Fund Loans, by general obligation bonds issued by such other Series 2008A Borrowers (collectively, the "Series 2008A Local Unit Fund Loan Bonds", and together with the Series 2008A Local Unit Trust Loan Bonds, the "Series 2008A Local Unit Bonds") in accordance with all applicable law;

WHEREAS, the Series 2008A Bonds are principally secured by the Series 2008A Trust Loan repayment obligations of the Series 2008A Borrowers as evidenced by the Series 2008A 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 2008A Bonds defined below as the Series 2008A Bonds to be Refunded through the implementation of the hereinafter defined 2016 Refunding of the Series 2008A Bonds to be Refunded (net of all costs incurred in connection therewith, the "Savings");

WHEREAS, Section 2.04(1) of the Original Series 2008A Bond Resolution and the terms of the Series 2016A-R1 Refunding Supplemental Bond Resolution permit the issuance of the hereinafter defined Series 2016A-R1 Refunding Bonds as "Additional Bonds" to achieve the 2016 Refunding of the Series 2008A Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original Series 2008A Bond Resolution;

WHEREAS, upon issuance of the Series 2016A-R1 Refunding Bonds, a portion of the Series 2008A Bonds will remain Outstanding;

WHEREAS, on May 26, 2016, the Trust shall issue its "Environmental Infrastructure Refunding Bonds, Series 2016A-R1" to be dated May 26, 2016 in an aggregate principal amount of $_________ (the "Series 2016A-R1 Refunding Bonds"), which shall be issued pursuant to the terms of (i) the Original Series 2008A Bond Resolution, as amended and supplemented by the "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R1 (2008A Financing Program) of the New Jersey Environmental Infrastructure Trust" adopted by the Trust on April 14, 2016, as amended and supplemented by a certificate of an Authorized Officer of the Trust to be dated May 26, 2016 (the "Series 2016A-R1 Refunding Supplemental Bond Resolution," and together with the Original Series 2008A Bond Resolution, and as the same may be further amended and supplemented from time to time in accordance with its terms, the "Series 2008A Bond Resolution"), (ii) the Act, and (iii) all other applicable law;

WHEREAS, upon issuance of the Series 2016A-R1 Refunding Bonds, the Trust shall establish an escrow fund (the "Defeased Series 2008A Bond Escrow Fund") in accordance with the terms of this "Escrow Deposit Agreement, Series 2016A-R1 (2008A Financing Program)" dated May 26, 2016 (as the same may be amended and supplemented from time to time in accordance with its terms, the "Defeased Series 2008A Bond Escrow Deposit Agreement") by and between the Trust and The Bank of New York Mellon, Woodland Park, New Jersey (the
original trustee under the Original Series 2008A Bond Resolution), as Defeased Series 2008A Bond Escrow Agent (or any successor thereto, the "Defeased Series 2008A Bond Escrow Agent") thereunder;

WHEREAS, upon issuance of the Series 2016A-R1 Refunding Bonds, the Trust will cause moneys to be deposited in the Defeased Series 2008A 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 1, 2016 through and including September 1, 2018 (the "Redemption Date") on a portion of the Outstanding Series 2008A Bonds otherwise maturing on September 1, 2019 through and including September 1, 2028 (the principal amount of each such maturity being identified in Schedule A attached hereto) (collectively, the “Series 2008A Bonds to be Refunded”) and (ii) all of the principal of the Series 2008A Bonds to be Refunded on the Redemption Date and (iii) the redemption premium, if any, applicable to redeeming all of the Series 2008A Bonds to be Refunded on the Redemption Date (collectively, the “2016 Refunding of the Series 2008A Bonds to be Refunded”);

WHEREAS, upon issuance of the Series 2016A-R1 Refunding Bonds, the Trust will finance the 2016 Refunding of the Series 2008A Bonds to be Refunded with deposits into the Defeased Series 2008A Bond Escrow Fund from the following sources: (i) from the primary share of the proceeds of the Series 2016A-R1 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 2008A Bond Resolution by The Bank of New York Mellon, Woodland Park, New Jersey, as Trustee (or any successor thereto, the "Trustee") thereunder, all as set forth in the Series 2016A-R1 Refunding Supplemental Bond Resolution and in this Defeased Series 2008A Bond Escrow Deposit Agreement; and

WHEREAS, upon issuance of the Series 2016A-R1 Refunding Bonds, the Trust, in accordance with the Act, the Series 2008A Bond Resolution and a financial plan approved by the State Legislature in accordance with Section 23 of the Act, will (i) issue the Series 2016A-R1 Refunding Bonds for the purpose of applying the primary share of the 2008A Allocable Portion thereof toward the 2016 Refunding of the Series 2008A Bonds to be Refunded and (ii) apply the balance of the proceeds thereof to the payment to the Series 2008A Borrowers of their pro-rata portion of the Savings (i.e., 100%) achieved from the 2016 Refunding of the Series 2008A 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 2008A Bond Escrow Agent
Defeased Series 2008A Bond Escrow Deposit Agreement

Pursuant to Section 3.01(A) of the Series 2016A-R1 Refunding Supplemental Bond Resolution, the Trust has created and established with the Defeased Series 2008A Bond Escrow Agent a special and irrevocable escrow fund designated "Defeased Environmental Infrastructure Bonds, Series 2008A Escrow Fund (2016)" (the "Defeased Series 2008A Bond Escrow Fund") to be held by the Defeased Series 2008A Bond Escrow Agent as a trust fund for the benefit of the holders of the Series 2008A Bonds to be Refunded. The Defeased Series 2008A Bond Escrow Fund shall be held by the Defeased Series 2008A Bond Escrow Agent separate and apart from all other funds of the Trust and the Defeased Series 2008A Bond Escrow Agent. For all purposes hereunder and in accordance with Article XII of the Original Series 2008A Bond Resolution, as amended and supplemented, the Defeased Series 2008A Bond Escrow Agent is acting as agent for the Trustee.
SECTION 3. Receipt of Funds.

(a) The Defeased Series 2008A Bond Escrow Agent hereby acknowledges receipt on May 26, 2016 from the Trustee of $___ on deposit in the Project Fund, created and existing under the Series 2008A Bond Resolution (see Exhibit A attached hereto and made a part hereof for a detailed allocation thereof to each Series 2008A Borrower), for immediate transfer to the Defeased Series 2008A Bond Escrow Agent for deposit in the Defeased Series 2008A Bond Escrow Fund, all as required by Section 3.04 of the Series 2016A-R1 Refunding Supplemental Bond Resolution.

(b) In accordance with the terms of a Certificate of an Authorized Officer of the Trust delivered pursuant to Section 3.04 of the Series 2016A-R1 Refunding Supplemental Bond Resolution, simultaneously with the execution and delivery hereof, the Trustee has received from the purchasers of the Series 2016A-R1 Refunding Bonds in immediately available funds for immediate transfer to the Defeased Series 2008A Bond Escrow Agent for deposit in the Defeased Series 2008A Bond Escrow Fund the sum of $____ as required by such Certificate. The Defeased Series 2008A Bond Escrow Agent hereby acknowledges receipt on May 26, 2016, of such moneys from the Trustee.

(c) Accordingly, on May 26, 2016, the Defeased Series 2008A Bond Escrow Agent hereby acknowledges the collective receipt of $___ for immediate transfer to or deposit in the Defeased Series 2008A Bond Escrow Fund, all as required by a Certificate of an Authorized Officer of the Trust delivered pursuant to Section 3.04 of the Series 2016A-R1 Refunding Supplemental Bond Resolution.

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

(a) Immediately upon the Defeased Series 2008A 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 2008A Bond Escrow Agent shall immediately deposit same in the Defeased Series 2008A Bond Escrow Fund.

(b) The Defeased Series 2008A Bond Escrow Agent is hereby authorized and directed by the Trust to apply $___ from the amounts so deposited in the Defeased Series 2008A Bond Escrow Fund in accordance with Section 3 above to the purchase on May 26, 2016 of the particular Investment Securities (as defined in the Original 2008A Bond Resolution), as identified on the attached Exhibit B hereto (the “Defeasance Securities”), leaving the balance of such deposit in the amount of $__ to remain uninvested as 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 2008A Bond Resolution, as amended and supplemented, and in accordance with the requirements of Article XII of the Original 2008A Bond Resolution, as amended and supplemented. In sole reliance upon the verification report of _____ LLC/Inc., dated May 26, 2016, attached hereto as Exhibit C, the receipt of which is acknowledged by the parties
hereto, the Trust represents that the amounts so deposited in the Defeased Series 2008A Bond Escrow Fund, together with income from the investment thereof pursuant to this Defeased Series 2008A Bond Escrow Deposit Agreement, will provide sufficient funds to pay (i) all of the interest due from September 1, 2016 through the Redemption Date on the Series 2008A Bonds to be Refunded, and (ii) all of the principal of the Series 2008A Bonds to be Refunded on the Redemption Date.


The Defeased Series 2008A Bond Escrow Agent agrees that the amounts deposited in the Defeased Series 2008A 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 2008A Bond Escrow Fund will be held in trust solely for the benefit of the holders of the Series 2008A Bonds to be Refunded. The Trust hereby irrevocably instructs the Defeased Series 2008A Bond Escrow Agent to apply the amounts deposited in the Defeased Series 2008A Bond Escrow Fund to the payment of (i) all of the interest due from September 1, 2016 through and including the Redemption Date on all of the Series 2008A Bonds to be Refunded, and (ii) all of the principal of all of the Series 2008A Bonds to be Refunded on the Redemption Date.

Notices of defeasance and redemption of the Series 2008A Bonds to be Refunded shall be given by the Defeased Series 2008A Bond Escrow Agent in accordance with Section 7 hereof. The Defeased Series 2008A Bond Escrow Agent shall have no liability for the payment of the principal and redemption premium of and the interest on the Series 2008A Bonds to be Refunded pursuant to this Section 5 and the Series 2008A 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 2008A Bond Escrow Fund. The Defeased Series 2008A Bond Escrow Agent shall not be liable for any loss resulting from any investment made in accordance with the provisions of this Defeased Series 2008A Bond Escrow Deposit Agreement or from any error in the numerical calculations set forth in the Exhibits attached hereto.


(a) Except as provided in Sections 4, 5 and 6 hereof, the Defeased Series 2008A Bond Escrow Agent shall have no power or duty to invest any funds held under this Defeased Series 2008A 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 2008A 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 2008A Bond Escrow Agent to exercise any of the powers described in the preceding sentence in any manner that would cause the
Series 2016A-R1 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 2016A-R1 Refunding Bonds. The Defeased Series 2008A 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 2008A 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 2008A 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 2016A-R1 Refunding Bonds or, if the Series 2016A-R1 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 2008A 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 2008A 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 2016A-R1 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 hereto. The Trust hereby covenants that no part of the moneys or funds at any time in the Defeased Series 2008A Bond Escrow Fund shall be used directly or indirectly to acquire any investment property, the acquisition of which would cause any Series 2016A-R1 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 2008A 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 2008A Bonds to be Refunded.

SECTION 7. Receipt, Notice and Publication.

The Defeased Series 2008A Bond Escrow Agent acknowledges receipt of the Series 2016A-R1 Refunding Supplemental Bond Resolution in which the 2016 Refunding of the Series 2008A Bonds to be Refunded is authorized and approved. The Defeased Series 2008A Bond Escrow Agent is hereby further irrevocably instructed, and hereby agrees, to mail (via first class mail) (i) as soon as practicable after the date hereof, in the manner prescribed by Article XII of the Original 2008A Bond Resolution, a notice to the holders of the Series 2008A Bonds to be Refunded,
substantially in the form of Exhibit D attached to this Defeased Series 2008A Bond Escrow Deposit Agreement, that the deposit has been made with the Defeased Series 2008A Bond Escrow Agent and that the Series 2008A Bonds to be Refunded are deemed to have been paid in accordance with Article XII of the Original 2008A 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 2008A Bonds to be Refunded; and (ii) no later than August 1, 2018, which is at least thirty (30) days but not more than forty-five (45) days prior to the Redemption Date, a notice of redemption, in substantially the form attached hereto as Exhibit E, to all registered owners of the Series 2008A Bonds to be Refunded to be redeemed in accordance with the requirements of Article IV and other redemption provisions of the Original 2008A Bond Resolution, as amended and supplemented. Such instruction satisfies the requirements of Section 2.04(2)(a) of the Original 2008A Bond Resolution.

SECTION 8. Transfer of Balance in Defeased Series 2008A Bond Escrow Fund after payment of the Series 2008A 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 2008A Bonds to be Refunded, all remaining moneys and securities in the Defeased Series 2008A Bond Escrow Fund shall be transferred by the Defeased Series 2008A Bond Escrow Agent to the Trustee for deposit in such funds and accounts under the Series 2008A 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 2016A-R1 Refunding Bonds or, if the Series 2016A-R1 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.


The Defeased Series 2008A Bond Escrow Fund created hereby shall be irrevocable, and the holders of the Series 2008A Bonds to be Refunded shall have an express lien on and security interest in all amounts deposited in the Defeased Series 2008A Bond Escrow Fund, including all amounts representing principal of and all amounts representing interest on the Defeasance Securities in the Defeased Series 2008A Bond Escrow Fund until used and applied in accordance herewith. The Trust shall take or cause to be taken all action necessary to preserve the security of the holders of the Series 2008A Bonds to be Refunded and the right, title and interest of the Defeased Series 2008A Bond Escrow Agent to all amounts deposited in the Defeased Series 2008A Bond Escrow Fund and the principal and interest with respect to the Defeasance Securities so long as any of the Series 2008A Bonds to be Refunded remain unpaid.

(a) The Defeased Series 2008A 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 May 26, 2016. This right to receive compensation notwithstanding, the Defeased Series 2008A 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 2008A 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 2008A Bond Escrow Fund for any such payment.

(b) The recitals of fact in this Defeased Series 2008A Bond Escrow Deposit Agreement shall be taken as the statements of the Trust, and the Defeased Series 2008A Bond Escrow Agent does not assume any responsibility for the correctness of the same. The Defeased Series 2008A 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 2008A Bond Escrow Deposit Agreement or to advance any of its own moneys unless properly indemnified to its satisfaction. The Defeased Series 2008A 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 2008A 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 2008A 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 2008A 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 2008A 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 2008A Bond Escrow Deposit Agreement, but in its discretion the Defeased Series 2008A 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 2008A 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 2008A Bond Resolution and applicable New Jersey law, and only out of the Trust Estate (as defined in the Series 2008A Bond Resolution), shall indemnify and save harmless the Defeased Series 2008A Bond Escrow Agent against any loss, liability or expense, including legal fees, that the Defeased Series 2008A 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 2008A Bond Escrow Agent provided for in this Section 10(d) shall survive termination of this Defeased Series 2008A Bond Escrow Deposit Agreement pursuant to Section 11 hereof and the resignation or removal of the Defeased Series 2008A Bond Escrow Agent.

(e) The Defeased Series 2008A 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 2008A Bond Resolution, as amended and supplemented; (iii) the Defeased Series 2008A Bond Escrow Agent has received an instrument of acceptance executed by the successor to the Defeased Series 2008A Bond Escrow Agent hereunder; and (iv) the Defeased Series 2008A Bond Escrow Agent has delivered to its successor hereunder all of the escrow documents, Defeasance Securities, moneys and investments held by the Defeased Series 2008A Bond Escrow Agent in the Defeased Series 2008A 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 2008A Bond Escrow Agent hereunder as soon as possible. If no appointment of a successor to the Defeased Series 2008A Bond Escrow Agent is made within forty-five (45) days after receipt by the Trust of the aforementioned notice, the Defeased Series 2008A Bond Escrow Agent may apply to any court of competent jurisdiction to appoint a successor thereto.

(f) The Defeased Series 2008A 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 2008A Bond Escrow Agent at least thirty (30) days prior to the effective date of the removal of such Defeased Series 2008A Bond Escrow Agent. Upon such effective date, the Defeased Series 2008A Bond Escrow Agent shall deliver to the Defeased Series 2008A 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 2008A Bond Escrow Agent set forth herein shall be automatically assumed by any successor organization to The Bank of New York Mellon, 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 2008A 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 2008A Bonds to be Refunded as set forth in Section 5 hereof have been fully satisfied; provided, that moneys held by the Defeased Series 2008A Bond Escrow Agent in the Defeased Series 2008A Bond Escrow Fund for the payment and discharge of any of the Series 2008A 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 2008A 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 2008A Bonds to be Refunded at the time such election is made; provided, however, that the Trust and the Defeased Series 2008A Bond Escrow Agent may, without the consent of or notice to the holders of the unpaid Series 2008A Bonds to be Refunded, enter into such agreements supplemental to this Defeased Series 2008A 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 2008A 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 2008A Bond Escrow Deposit Agreement; or

(b) to grant to or confer upon the Defeased Series 2008A Bond Escrow Agent for the benefit of the holders of the Series 2008A Bonds to be Refunded any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Defeased Series 2008A Bond Escrow Agent.

The Defeased Series 2008A 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 2008A 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 2008A Bond Escrow Deposit Agreement regarding the investment or other use of the proceeds of the Series 2016A-R1 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 2016A-R1 Refunding Bonds in accordance with such change will not adversely affect the exclusion of interest on the Series 2016A-R1 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 2008A 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.
[ signatures appear on following page ]
IN WITNESS WHEREOF, the parties hereto have each caused this Defeased Series 2008A 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.

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

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

THE BANK OF NEW YORK MELLON,
as Deceased Series 2008A
Bond Escrow Agent

By: ____________________________
    Name: _______________________
    Title: ________________________
**SCHEDULE A**

**SERIES 2008A BONDS TO BE REFUNDED**

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EXHIBIT A

AMOUNTS TO BE TRANSFERRED FROM THE PROJECT FUND

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EXHIBIT B

DEFEASANCE SECURITIES
DEFEASANCE NOTICE TO THE HOLDERS OF CERTAIN NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST “ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2008A” DATED: NOVEMBER 6, 2008

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Notice is hereby given to the holders of the outstanding “Environmental Infrastructure Bonds, Series 2008A” of the New Jersey Environmental Infrastructure Trust (the “Trust”), dated November 6, 2008 (the “Bonds”), more particularly described below as the “Refunded Bonds”, that there have been deposited with The Bank of New York Mellon, as Deceased Series 2008A 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 on the above referenced Bonds (the “Refunded Bonds”) through and including September 1, 2018, the redemption date thereof. The Refunded Bonds are deemed to have been paid in accordance with Article XII of that certain “Environmental Infrastructure Bond Resolution, Series 2008A” of the Trust duly adopted by the Trust on September 16, 2008, as amended and supplemented by that certain “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R1 (2008A Financing Program) of the New Jersey Environmental Infrastructure Trust” of the Trust duly adopted by the Trust on April 14, 2016, as further amended and supplemented by a certificate of an authorized officer of the Trust dated May 26, 2016.

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 Defeasance. Reliance may only be placed on the identification numbers printed herein or on the Bonds.

New Jersey Environmental Infrastructure Trust
by The Bank of New York Mellon,
as Deceased Series 2008A Bond Escrow Agent
EXHIBIT E

NOTICE OF REDEMPTION

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
“ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2008A”
DATED: NOVEMBER 6, 2008

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NOTICE IS HEREBY GIVEN THAT, pursuant to the provisions of that certain “Environmental Infrastructure Bond Resolution, Series 2008A” of the New Jersey Environmental Infrastructure Trust (the “Trust”), duly adopted by the Trust on September 16, 2008, as amended and supplemented by that certain supplemental bond resolution, adopted by the Trust on April 14, 2016 and entitled “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R1 (2008A Financing Program) of the New Jersey Environmental Infrastructure Trust” (collectively, the “Resolution”), all of the above-referenced bonds (the “Bonds”) have been called for redemption on September 1, 2018 (the “Redemption Date”) at a redemption price of 100% of the principal amount thereof for the Bonds maturing on September 1, 2019 through and including September 1, 2028, plus interest accrued to September 1, 2018, in accordance with Sections 2.03(5), 4.05 and 12.01 of the Resolution. Such redemption is conditioned upon there being on deposit with The Bank of New York Mellon (the “Trustee”) on the Redemption Date moneys sufficient for the payment of the redemption price and the accrued interest to the Redemption Date. You are hereby notified that the Bonds should be presented for redemption at The Bank of New York Mellon, Corporate Trust Department, 385 Rifle Camp Road, Woodland Park, New Jersey 07424, on or immediately before the Redemption Date. On said date, the Bonds will become due and payable at the redemption price stated above, plus interest accrued to September 1, 2018, and interest on all such Bonds shall cease to accrue from and after September 1, 2018 in accordance with Sections 2.03(5), 4.05 and 12.01 of the Resolution.

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 The Bank of New York Mellon,
as Trustee
TRUST CONTINUING DISCLOSURE AGREEMENT

BY AND AMONG

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST,

[TRUSTEE],
as Trustee

AND

U.S. BANK TRUST NATIONAL ASSOCIATION
as Master Program Trustee

Dated as of [Date]

Entered into with respect to the New Jersey Environmental Infrastructure Trust’s [Bonds], dated [dated date]
TRUST CONTINUING DISCLOSURE AGREEMENT

THIS TRUST CONTINUING DISCLOSURE AGREEMENT (this "Agreement"), made and entered into as of [date], 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"), [TRUSTEE], as Trustee, a national banking association and trust company duly organized and validly existing under the laws of the United States and duly authorized to act in the State (the "Trustee"), and U.S. BANK TRUST NATIONAL ASSOCIATION, as Master Program Trustee, a national banking association and trust company duly organized and validly existing under the laws of the United States and duly authorized to act in the State (the "Master Program Trustee").

WITNESSETH THAT:

WHEREAS, the Trust, duly created and validly existing under and by virtue of the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 et seq.), as the same may from time to time be amended and supplemented (the "Act"), in accordance with and pursuant to (i) the Act, (ii) the [Bond Resolution], as adopted by the Board of Directors of the Trust on [date] (the "Resolution"), and (iii) a financial plan approved by the State Legislature in accordance with Section 23 of the Act, has issued its [Bonds] (the "Bonds") as part of the [2016] environmental infrastructure financing program (the "Program") for the purpose, inter alia, of making loans to, among others, any New Jersey municipality or county or municipal, county or regional sewerage, utilities or improvement authority, any other local political subdivision, or any private water company (each a "Borrower") authorized to construct, operate and maintain environmental infrastructure systems that has entered into a Loan Agreement with the Trust, dated as of [date] (each a "Trust Loan Agreement"), pursuant to which such Borrower will borrow money financed through the issuance of the Bonds (the "Trust Loan") to finance a portion of the cost of its environmental infrastructure system project (each a "Project") (all capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in Article I of the Trust Loan Agreement);

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

WHEREAS, the State Legislature, in accordance with Section 20 of the Act, has in the form of an appropriations act approved a project priority list that includes each Project and that authorizes an expenditure of proceeds of the Bonds to finance a portion of the Cost of the Project;

WHEREAS, the Trust has approved each Borrower's application for a Trust Loan from available proceeds of the Bonds to finance a portion of the Cost of the Project;
WHEREAS, the State, acting by and through the New Jersey Department of Environmental Protection, has simultaneously made a companion loan (each a "Fund Loan") to each of the Borrowers for the balance of the then eligible costs of each such Project, with the balance of any such costs funded by the Borrowers or by supplemental loans from the Trust and the State in other financing programs;

WHEREAS, each Borrower, in accordance with, as applicable, the Act, the Regulations, and WHEREAS, each Borrower, in accordance with, as applicable, the Act, the Regulations, the Borrower Enabling Act, the "Local Bond Law, as the same may from time to time be amended and supplemented, the "Municipal and County Utilities Authorities Law", constituting Chapter 183 of the Pamphlet Laws of 1957 of the State (codified at N.J.S.A. 40:14B-1 et seq.), as the same may from time to time be amended and supplemented, the "Sewerage Authorities Law", constituting Chapter 138 of the Pamphlet Laws of 1946 of the State (codified at N.J.S.A. 40:14A-2 et seq.), as the same may from time to time be amended and supplemented, the "County Improvement Authorities Law", constituting Chapter 183 of the Pamphlet Laws of 1960 of the State (codified at N.J.S.A. 40:37A-44 et seq.), as the same may from time to time be amended and supplemented, the "Local Authorities Fiscal Control Law", constituting Chapter 313 of the Pamphlet Laws of 1983 of the State (codified at N.J.S.A. 40A:5A-1 et seq.), as the same may from time to time be amended and supplemented, and ;the “New Jersey Business Corporation Act”, constituting Chapter 263 of the Pamphlet Laws of 1968 of the State (codified at N.J.S.A. 14A:1-1 et seq.), as the same may from time to time be amended and supplemented, has issued a Borrower bond to the Trust evidencing its Trust Loan and a Borrower bond to the State evidencing its Fund Loan on the date of issuance of the Bonds;

WHEREAS, the Trustee has duly accepted, as Trustee for the Holders from time to time of the Bonds, the trusts imposed upon it by the Resolution in connection with the issuance of the Bonds;

WHEREAS, pursuant to the terms and provisions of the Resolution the State’s right to receive Fund Loan repayments to be made by Borrowers is subordinate to the right of the Trust to receive Trust Loan repayments to be made by such Borrowers as security for the Bonds;

WHEREAS, pursuant to the terms and provisions of that certain Master Program Trust Agreement dated as of November 1, 1995 by and among the Trust, the State, acting by and through the State Treasurer on behalf of the State and the State Department of Environmental Protection, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder, as supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement dated as of November 1, 2001 by and among the United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A., (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the 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"), the State has agreed to subordinate further its right to receive Fund Loan repayments to be made pursuant to the Coverage Providing Financing Programs (as such term is defined in the Master Program Trust Agreement), which further subordination will occur through the payment by the loan servicers under the Coverage Providing Financing Programs of certain moneys into a "Master Program Trust Account" at the times and in the amounts set forth in the Master Program Trust Agreement, such moneys to be held by the Master Program Trustee as security for the Coverage Receiving Trust Bonds (as such term is defined in the Master Program Trust Agreement), including, without limitation, the Bonds;

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

WHEREAS, in order to comply with Rule 15c2-12, the 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 [date] (the "Notice of Sale"), the Preliminary Official Statement dated [date] (the "Preliminary Official Statement") and the Final Official Statement dated [date] (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 Trustee (or any successor thereto) for the purpose of satisfying Rule 15c2-12, and pursuant to the terms of such agreement each such Borrower is required to cause the delivery of the information described therein to the municipal securities marketplace for the period of time specified therein;

WHEREAS, the 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 Trustee and the Master Program Trustee for the purpose of satisfying Rule 15c2-12;
WHEREAS, on [Sale Date], the Trust accepted the bid of [Purchaser], 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 Trustee and the Master Program Trustee, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and for the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner.

NOW, THEREFORE, for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the Trust, the Trustee and the Master Program Trustee, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:
ARTICLE 1

DEFINITIONS

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

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

"Annual Report" means Financial Statements and Operating Data provided at least annually with respect to the 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 Note 7 to the audited financial statements of the Trust, attached as Appendix A to the Final Official Statement.

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

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

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

Section 1.3. Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms as used in this Agreement refer to this Agreement as a whole unless otherwise expressly stated. The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.
ARTICLE 2

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1. Continuing Disclosure Covenants of 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, 20__ (which ended on June 30, 20__), an Annual Report to each Repository in Prescribed Form.

(b) Not later than fifteen (15) days prior to the date with respect to each Fiscal Year specified in Section 2.1(a) hereof, a copy of the Annual Report, complete to the extent required in Section 2.1(a) hereof, to the Trustee and the Dissemination Agent (if the 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 Trustee (for informational purposes only):

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to the rights of Bondholders, if material;

(viii) Bond calls (other than regularly scheduled mandatory sinking fund redemptions for which notice of redemption has been given to the
Bondholders as required pursuant to the provisions of the Resolution), if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xiii) Bankruptcy, insolvency, receivership or similar event of any Obligated Person;

(xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor to the Trustee or the Master Program Trustee, appointment of an additional Trustee or Master Program Trustee, or the change of name of the Trustee or the Master Program Trustee, if material.

Section 2.2. Reserved.

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

(b) Any or all of the items that must be included in the Annual Report may be incorporated by reference from other documents, including official statements delivered in connection with other financings issued on behalf of the 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 Trustee. (a) If fifteen (15) days prior to the date specified in Section 2.1(a) hereof the Trustee has not received a copy of the Annual Report, complete to the extent required in Section 2.1(a)
hereof, the Trustee shall contact the 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 Trustee, 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 Trustee shall send a notice to each National Repository or to the MSRB and the State Depository, if any, in substantially the form attached hereto as Exhibit B together with any standard forms or cover sheets that may be required by the MSRB as of the date thereof, with a copy thereof to the 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 Trustee 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 Trustee (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 Trustee (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 Trustee. 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 Trustee, 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.

(d) The Trust, the Trustee and the Master Program trustee acknowledge that the Trust has not, as of the date of this Agreement, appointed or engaged any party, including, without limitation, the Trustee or the Master Program Trustee, to serve as Dissemination Agent.

Section 2.6. Responsibilities and Duties of Master Program Trustee. The Master Program Trustee, for the purposes of satisfying the requirements of Rule 15c2-12, hereby consents to the use by the 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 Trustee. Article X of the Resolution, as it relates to the immunities and liabilities of the Trustee, is hereby made applicable to the Trustee's responsibilities under this Agreement.
ARTICLE 3

REMEDIES

Section 3.1. Remedies. (a) The Trustee may, in reliance upon the advice of counsel (and at the request of the Holders of at least twenty-five percent (25%) in aggregate principal amount of the Bonds outstanding, after the provision of indemnity in accordance with Section 10.05 of the Resolution, shall), or any Bondholder may, for the equal benefit and protection of all Bondholders similarly situated, take whatever action at law or in equity against the 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 Trustee or any Bondholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Bondholder, as the case may be, then and in every such case the Trust, the Trustee and any Bondholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Trust, the Trustee 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 Trustee and the Master Program Trustee for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2. 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 Trustee, 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 Trustee and the Master Program Trustee, and any member, officer, official, employee, counsel, consultant and agent of the Trustee and the Master Program Trustee (collectively, the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by the 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 Trustee) addressed to, in the case of the Trust, P.O. Box 440, Trenton, New Jersey 08625 (Attention: Executive Director); in the case of the Trustee, its Corporate Trust Department at 21 South Street, 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 Trustee and the Master Program Trustee at any time and from time to time may enter into any amendments or modifications to this Agreement for any of the following purposes:

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

Section 4.11. Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State and the laws of the United States of America, as applicable.
Section 4.12. Commencement and Termination of Continuing Disclosure Obligations. The obligations of the Trust and the Trustee hereunder and the consent of the Master Program Trustee set forth in Section 2.6 hereof shall be in full force and effect from the date of issuance of the Bonds, and shall continue in effect until the date either (i) the Bonds are no longer outstanding in accordance with the terms of the Resolution or (ii) the Program no longer remains a material "obligated person" (as the term "obligated person" is defined in Rule 15c2-12) as a result of an interpretation of Rule 15c2-12, and in either event only after the 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. Other than as disclosed in the Official Statement, 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 Trustee and the Master Program Trustee and their respective successors and assigns.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, [TRUSTEE] and U.S. BANK TRUST NATIONAL ASSOCIATION, a national banking association, have caused this Agreement to be executed in their respective names, all as of the date first above written.

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

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

[TRUSTEE],
as Trustee

By:_____________________________
    Vice President

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

By:_____________________________
    Name:
    Title:

[Signature Page]
EXHIBIT A

OBJECTIVE CRITERIA AS SET FORTH IN THE FINAL OFFICIAL STATEMENT

SECONDARY MARKET DISCLOSURE

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

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

Each Borrower has covenanted in its Trust Loan Agreement, for the benefit of the respective Bondholders, to enter into a Borrower Continuing Disclosure Agreement (the “Borrower Continuing Disclosure Agreement”) should it meet, at any time during the term of its respective Trust Loan, the material “obligated persons” test referred to above. Such Borrower Continuing Disclosure Agreement obligates any such Borrower to provide (i) certain financial information and operating data relating to such Borrower and the Participants and Indirect Participants, if any, of such Borrower, including, without limitation, audited financial statements, within 225 days after the end of each fiscal year for which any such Borrower Continuing Disclosure Agreement is in effect (the “Annual Report”), and (ii) notice to the Trust of the occurrence of certain enumerated events, if material. The specific nature of the information to be contained in the Annual Report and the notices of material events is summarized in Appendix F to the Final Official Statement – “SUMMARY OF THE SERIES 20__ TRUST LOAN AGREEMENTS (INCLUDING THE CONTINUING DISCLOSURE AGREEMENTS FOR THE SERIES 20__ BORROWERS), THE SERIES 20__ FUND LOAN AGREEMENTS AND THE OTHER COVERAGE PROVIDING FUND LOAN AGREEMENTS.”

The Borrower Continuing Disclosure Agreement further requires that the Annual Report shall be delivered by or on behalf of such Borrower to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC (each a “NRMSIR”) and to the State Information Depository recognized by the SEC (the “SID”), if any. Notices of material events
relating to the Trust Loan Bonds of such Borrower will be filed by such Borrower with the Trust, and the notices of material events relating to the Series 20__ Bonds will be filed directly by the Trust with each NRMSIR or with the Municipal Securities Rulemaking Board (the “MSRB”) and the SID, if any. As of the date of this Official Statement, the filing of any information with the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB shall satisfy the requirement to file such information with each NRMSIR. The obligations under the Borrower Continuing Disclosure Agreement shall continue through final maturity (stated or otherwise) of the Bonds, but shall terminate when any such material “obligated persons” shall no longer meet the material “obligated persons” test with respect to the Bonds. The Trust shall have no liability to the Bondholders or to any other person with respect to the secondary market disclosure of any such material “obligated persons.” See Appendix F to the Final Official Statement – “SUMMARY OF THE SERIES 20__ TRUST LOAN AGREEMENTS (INCLUDING THE CONTINUING DISCLOSURE AGREEMENTS FOR THE SERIES 20__ BORROWERS), THE SERIES 20__ FUND LOAN AGREEMENTS AND THE OTHER COVERAGE PROVIDING FUND LOAN AGREEMENTS”.

In light of the additional security provided for each series of the Bonds as a Coverage Receiving Financing Program (along with the current and all future Coverage Receiving Financing Programs) through certain Fund Loan repayments in Coverage Providing Financing Programs, the Trust has determined that only the Borrowers, Participants and Indirect Participants identified in the immediately succeeding paragraph (if any) will be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 for the Bonds. With respect to all other Borrowers, Participants and Indirect Participants, the Trust has determined that no financial or operating data is material to any decision to purchase, hold or sell the Bonds, and the Trust will not itself provide or cause any such Borrowers, Participants and Indirect Participants to provide any such information with respect to any such Borrowers, Participants and Indirect Participants.

As of the date of issuance of the Bonds, there are no Borrowers that meet this material “obligated persons” test for the Bonds. In addition, as of such issuance, no Participants or Indirect Participants meet this test with respect to the Bonds.

Based upon official interpretations of Rule 15c2-12, the Trust has determined that, in connection with the Bonds, the Series 20__ Financing Program relating to the Bonds is an “obligated person”, as defined in Rule 15c2-12. In addition, on the date of delivery of the Bonds, the Trust will enter into a Trust Continuing Disclosure Agreement (the “Trust Continuing Disclosure Agreement”; the Borrower Continuing Disclosure Agreement and the Trust Continuing Disclosure Agreement shall be referred to collectively herein as the “Continuing Disclosure Agreements”), for the benefit of the beneficial owners of the Bonds, pursuant to which the Trust will agree to comply on a continual basis with the disclosure requirements of Rule 15c2-12 relating to the Bonds. Specifically, the Trust will covenant to provide certain financial information relating to the Series 20__ Financing Program relating to the Bonds, which financial information will be similar to that provided herein in Note 7 to Appendix A to the Final Official Statement, relating to each existing and future Coverage Providing Financing Program (the “Financing Program Annual Report”) to each NRMSIR and the SID, if any. In addition, the Trust will covenant to provide notices of the occurrence of certain enumerated events, if material, relating to the Bonds to each NRMSIR or to the MSRB and the SID, if any. As of the
date of this Official Statement, the filing of any information with the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB shall satisfy the requirement to file such information with each NRMSIR. The specific nature of the information to be contained in the Annual Report and the notices of material events is summarized in Appendix E to the Final Official Statement – “SUMMARY OF THE SERIES 20__ BOND RESOLUTIONS, THE MASTER PROGRAM TRUST AGREEMENT AND THE TRUST CONTINUING DISCLOSURE AGREEMENT.”

The sole and exclusive remedy for breach of or default under the Continuing Disclosure Agreements to provide continuing disclosure as described above is an action to compel specific performance of the Continuing Disclosure Agreements by the parties thereto, and no person, including any holder of the Bonds, may recover monetary damages thereunder under any circumstances. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Agreements, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, shall no longer be required to be provided. The Continuing Disclosure Agreements also may be amended or modified without the consent of the holders of the Bonds under certain circumstances set forth therein. Copies of the Continuing Disclosure Agreements when executed by the parties thereto upon the delivery of the Bonds will be on file at the office of the Trustee.
EXHIBIT B

FORM OF NOTICE TO REPOSITORIES OF
FAILURE TO FILE ANNUAL REPORT

Name Reporting Party: New Jersey Environmental Infrastructure Trust

Name of Bond Issue: New Jersey Environmental Infrastructure Trust "[Bonds]" dated [date]

Date of Issuance: [date]

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 as of [date] by and among the Trust, [Trustee], as Trustee, and U.S. Bank Trust National Association, a national banking association, as Master Program Trustee. [The Trust has advised the Trustee that it anticipates that the Annual Report will be filed by ___________.]

____________________,
as Trustee

By: _______________________
    Name: ___________________
    Title: ___________________

Dated: _________________
SUPPLEMENTAL BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF
ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS, SERIES 2016A-R2
(2010B FINANCING PROGRAM)
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Adopted April 14, 2016, as amended and supplemented by a Certificate of an Authorized Officer of the Trust in accordance with Section 6.01 hereof

Adopted Date:        April 14, 2016
Motion Made By:      Mark Longo
Motion Seconded By:   James Requa
Ayes:                5
Nays:                0
Abstentions:        0
SUPPLEMENTAL BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF
ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS, SERIES 2016A-R2
(2010B FINANCING PROGRAM)
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

WHEREAS, on December 2, 2010, 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 2010B”, dated December 2, 2010, in the original aggregate principal amount of $117,265,000 (the “Series 2010B Bonds”), in accordance with the provisions of (i) the “Environmental Infrastructure Bond Resolution, Series 2010B” of the Trust, duly adopted by the Trust on October 21, 2010 (the “Original Series 2010B Bond Resolution”), (ii) the Act and (iii) all other applicable law;

WHEREAS, the primary share of the proceeds of the Series 2010B Bonds was applied by the Trust to the making of loans (the “Series 2010B Trust Loans”) to each of the Borrowers (as hereinafter defined) to finance or refinance approximately half of the then-eligible costs for the acquisition, construction, renovation and installation of their respective environmental infrastructure projects (the “Projects”), all in accordance with the New Jersey Environmental Infrastructure Financing Program, Series 2010B, 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 2010B Fund Loans”) to each of the Borrowers for approximately half of the then eligible costs of each such 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 2010B Trust Loans was evidenced by, as the case may be, revenue bonds issued by authority Borrowers and private water company Borrowers and general obligation bonds issued by municipal Borrowers (collectively, the “Series 2010B Borrower Trust Loan Bonds”) in accordance with all applicable law;

WHEREAS, the repayment obligation with respect to the Series 2010B Fund Loans was evidenced by, as the case may be, revenue bonds issued by authority Borrowers and private water company Borrowers and general obligation bonds issued by municipal Borrowers (collectively, the “Series 2010B Borrower Fund Loan Bonds”; the Series 2010B Borrower Trust Loan Bonds and the Series 2010B Borrower Fund Loan Bonds shall be referred to collectively herein as the “Series 2010B Borrower Bonds”) in accordance with all applicable law;
WHEREAS, the Series 2010B Bonds are principally secured by the Series 2010B Trust Loan repayment obligations of the Borrowers as evidenced by the Series 2010B Borrower Trust Loan Bonds;

WHEREAS, payment of the principal of and interest on the Series 2010B 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) (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, 2002, 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 savings (the “Gross Savings”) can be achieved upon the defeasance and refunding of all or a portion of the Series 2010B Bonds, through the implementation of the hereinafter defined 2016 Refunding of the Series 2010B Bonds to be Refunded (net of all costs incurred in connection therewith, the “Savings”);

WHEREAS, Section 2.04(1) of the Original Series 2010B Bond Resolution and the terms of this Series 2016A-R2 Refunding Supplemental Bond Resolution (as hereinafter defined) authorize the issuance of the hereinafter defined Series 2016A-R2 Refunding Bonds as “Refunding Bonds” to achieve the 2016 Refunding of the Series 2010B Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original Series 2010B Bond Resolution;

WHEREAS, payment of the principal of and interest on the Series 2016A-R2 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 2016A-R2 (2010B Financing Program)”, 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 of the Trust upon the issuance thereof in accordance with the terms of this
Series 2016A-R2 Refunding Supplemental Bond Resolution (the “Series 2016A-R2 Refunding Bonds”), all pursuant to the terms of (i) the Original Series 2010B Bond Resolution, as amended and supplemented by this “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R2 (2010B Financing Program) of the New Jersey Environmental Infrastructure Trust”, adopted by the Trust on April 14, 2016, as amended and supplemented by a certificate of an Authorized Officer of the Trust, dated the date of issuance of the Series 2016A-R2 Refunding Bonds (as amended and supplemented, the “Series 2016A-R2 Refunding Supplemental Bond Resolution”; the Original Series 2010B Bond Resolution, as amended and supplemented by this Series 2016A-R2 Refunding Supplemental Bond Resolution and as the same may be further amended and supplemented from time to time in accordance with its terms, the “Series 2010B Bond Resolution”), (ii) the Act, and (iii) all other applicable law;

WHEREAS, upon issuance of the Series 2016A-R2 Refunding Bonds, the Trust shall establish an escrow fund (the “Defeased Series 2010B Bond Escrow Fund”) in accordance with the terms of that certain “Escrow Deposit Agreement, Series 2016A-R2 (2010B Financing Program)”, to be dated the date of issuance of the Series 2016A-R2 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “Defeased Series 2010B Bond Escrow Deposit Agreement”), by and between the Trust and U.S. Bank National Association, Morristown, New Jersey (the original Trustee pursuant to the Original Series 2010B Bond Resolution), as Defeased Series 2010B Bond Escrow Agent (or any successor thereto, the “Defeased Series 2010B Bond Escrow Agent”) thereunder;

WHEREAS, upon issuance of the Series 2016A-R2 Refunding Bonds, the Trust will finance the 2016 Refunding of the Series 2010B Bonds to be Refunded with deposits into the Defeased Series 2010B Bond Escrow Fund, from the following sources: (i) from a portion (consisting of the majority share) of the proceeds of the Series 2016A-R2 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 2010B Bond Resolution and held by U.S. Bank National Association, Morristown, New Jersey, as Trustee (or any successor thereto, the “Trustee”) thereunder, all as set forth in this Series 2016A-R2 Refunding Supplemental Bond Resolution, a Certificate of an Authorized Officer of the Trust and, to the extent the 2016 Refunding of the Series 2010B Bonds to be Refunded is financed with deposits into the Defeased Series 2010B Bond Escrow Fund, in the Defeased Series 2010B Bond Escrow Deposit Agreement;
WHEREAS, upon issuance of the Series 2016A-R2 Refunding Bonds, the Trust, in accordance with the Act, the Series 2010B Bond Resolution and a financial plan approved by the State Legislature in accordance with Section 23 of the Act will (i) issue the Series 2016A-R2 Refunding Bonds for the purpose of applying the primary share of the proceeds thereof toward the 2016 Refunding of the Series 2010B 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 each of the Borrowers their pro rata portion of the Savings achieved from debt service on the 2016 Refunding of the Series 2010B Bonds to be Refunded as an additional credit to their existing Series 2010B Trust Loans; provided, however, that an Authorized Officer of the Trust may withhold from the Borrowers a portion of the of the Savings, to the extent that it is reasonably required to reimburse the Trust for direct out of pocket costs of issuing the Series 2016A-R2 Refunding Bonds that have been paid by the Trust and not otherwise financed from the proceeds of the Series 2016A-R2 Refunding Bonds, the amount of which portion, if any, shall be set forth on the Savings Credit Schedules (as hereinafter defined) under the heading “Withheld Savings” (the “Withheld Savings”);

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 the Program 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 2016A-R2 Refunding Bonds, as the term “obligated person” is defined in Rule 15c2-12, based upon criteria set forth in this Series 2016A-R2 Refunding Supplemental Bond Resolution;

WHEREAS, prior to or simultaneously with the issuance of the Series 2016A-R2 Refunding Bonds, each such Disclosure Borrower, if any, shall enter into a separate “Series 2016A-R2 Continuing Disclosure Agreement (2010B Financing Program)”, to be dated the date of issuance of the Series 2016A-R2 Refunding Bonds, with the Trustee and the Trust (as the same may be further amended and supplemented from time to time in accordance with their respective terms, the “Series 2016A-R2 Borrower Continuing Disclosure Agreements”), for the purpose of satisfying Rule 15c2-12, as Rule 15c2-12 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 2016A-R2 Refunding Bonds, the Trust shall enter into a “Series 2016A-R2 Trust Continuing Disclosure Agreement (2010B Financing Program)”, to be dated the date of issuance of the Series 2016A-R2 Refunding Bonds, with the Trustee (as the same may be further amended and supplemented from time to time in accordance with the terms thereof, the “Series 2016A-R2 Trust Continuing Disclosure Agreement”; the Series 2016A-R2 Borrower Continuing Disclosure Agreements and the Series 2016A-R2 Trust Continuing Disclosure Agreement shall be referred to collectively herein as the “Series 2016A-R2 Continuing Disclosure Agreements”), for the purpose of satisfying Rule 15c2-12, as Rule 15c2-12 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 2016A-R2 REFUNDING SUPPLEMENTAL BOND RESOLUTION

SECTION 1.01. Definitions.

(A) As used in this Series 2016A-R2 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 Original Series 2010B Bond Resolution, as amended and supplemented.

(B) The following capitalized terms set forth in this Series 2016A-R2 Refunding Supplemental Bond Resolution shall have the respective meanings ascribed to such terms in the recitals to this Series 2016A-R2 Refunding Supplemental Bond Resolution:

Act
Defeased Series 2010B Bond Escrow Agent
Defeased Series 2010B Bond Escrow Deposit Agreement
Defeased Series 2010B Bond Escrow Fund
DEP
Gross Savings
Original Series 2010B Bond Resolution
Outstanding Series 2010B Bonds
Projects
Program
Redemption Date
Rule 15c2-12
Savings
SEC
Securities Exchange Act
Series 2010B Bond Resolution
Series 2010B Bonds
Series 2010B Bonds to be Refunded
Series 2010B Borrower Bonds
Series 2010B Borrower Fund Loan Bonds
Series 2010B Borrower Trust Loan Bonds
Series 2010B Fund Loans
Series 2010B Trust Loans
Series 2016A-R2 Continuing Disclosure Agreements
Series 2016A-R2 Borrower Continuing Disclosure Agreements
Series 2016A-R2 Refunding Bonds
Series 2016A-R2 Refunding Supplemental Bond Resolution
Series 2016A-R2 Trust Continuing Disclosure Agreement
State
Trust
Trustee
2016 Refunding of the Series 2010B Bonds to be Refunded
Withheld Savings

(C) In addition, as used in this Series 2016A-R2 Refunding Supplemental Bond Resolution, unless the context requires otherwise, the following terms shall have the following meanings:

“Borrowers” shall mean individually or collectively, as the case may be, each local governmental unit that previously has received a Series 2010B Trust Loan and, in accordance with this Series 2016A-R2 Refunding Supplemental Bond Resolution, will receive its pro rata share of the Savings, less the Withheld Savings, if any.

“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 2016A-R2 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 2016A-R2 Refunding Bonds.

“Savings Credit” shall mean the pro rata portion of the Savings, other than the Withheld Savings, if any, 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, if any, 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.

“Trust Conditions Precedent” shall mean the written approval of the Governor and Treasurer of the State of this Series 2016A-R2 Refunding Supplemental Bond Resolution in satisfaction of the requirements of Section 4(j) of the Act.

(D) In addition, the definition of the following term in Section 1.01 of the Original Series 2010B Bond Resolution are hereby amended to the extent provided below:

The definition of “Bond Year” in Section 1.01 of the Original Series 2010B Bond Resolution is hereby amended to include at the end thereof the following:

“, and with respect to the Series 2016A-R2 Refunding Bonds, 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 with respect to the Series 2016A-R2 Refunding Bonds shall be a
period commencing on the date of issuance of the Series 2016A-R2 Refunding Bonds hereunder and ending on August 31, 2016.”

SECTION 1.02. Authority for Supplemental Bond Resolution. This Series 2016A-R2 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 the Original Series 2010B Bond Resolution, as amended and supplemented.
ARTICLE II

AUTHORIZATION AND DETAILS OF SERIES 2016A-R2 REFUNDING BONDS

SECTION 2.01. [Reserved].

SECTION 2.02. Issuance of Series 2016A-R2 Refunding Bonds; Parity Nature of Bonds; Savings.

(A) The Trust hereby declares the issuance of the Series 2016A-R2 Refunding Bonds to be an authorized undertaking of the Trust pursuant to the Act and Section 2.04(1) of the Original Series 2010B Bond Resolution, 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) In accordance with the terms of the Series 2010B Bond Resolution, upon the issuance of the Series 2016A-R2 Refunding Bonds in accordance with the terms hereof, the Holders of the Series 2016A-R2 Refunding Bonds will be equally and ratably entitled to the benefit of the pledge of the Trust Estate under the Series 2010B Bond Resolution with the Holders of any other Series of Bonds to be issued under the Series 2010B Bond Resolution, including, without limitation, the moneys and securities in the Debt Service Fund and the rights to the Loan Repayments. Accordingly, all of the Outstanding Bonds shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2010B Bond Resolution.

(C) The Trust shall create two Loan Repayment schedules for each of the Series 2010B Trust Loans (collectively, the “Loan Repayment Schedules”): (i) the first, reflecting the Loan Repayments that are allocable to the Series 2016A-R2 Refunding Bonds until the maturity thereof; and (ii) the second, reflecting the Loan Repayments that are allocable to the Outstanding Series 2010B Bonds until the maturity thereof. At its election, the Trust may present such Loan Repayment Schedules in a consolidated format. In addition, the Trust shall prepare a consolidated schedule (the “Savings Credit Schedules”) that reflects the Savings to be realized by each Borrower with respect to its Series 2010B Trust Loan through the implementation of the 2016 Refunding of the Series 2010B Bonds to be Refunded. The Loan Repayment Schedules and the Savings Credit Schedule shall be provided by the Trust to each Borrower promptly following the issuance by the Trust of the Series 2016A-R2 Refunding Bonds. The Loan Repayments to be made by the Borrowers shall be allocated by the Trustee on a pro rata basis to the respective Accounts within the Revenue Fund relating to each Series of Bonds; thereafter, disbursements shall be made by the Trustee to the respective Accounts within the Debt Service Fund for each Series of Bonds for payment of the principal and redemption premium, if any, of and the interest on each such Series of Bonds.

(D) Upon issuance of the Series 2016A-R2 Refunding Bonds, the aggregate of the sum of the principal amount of the Series 2016A-R2 Refunding Bonds and the principal amount of the Outstanding Series 2010B Bonds (collectively, the “Outstanding Bonds”) shall be equal to
or less than the aggregate principal amount of the Series 2010B Borrower Trust Loan Bonds that are outstanding as of such date of issuance of the Series 2016A-R2 Refunding Bonds. Upon the allocation of the Savings to the Borrowers through the Savings Credits and to the Trust through the Withheld Savings, if any, the aggregate principal amount of the Series 2010B Borrower Trust Loan Bonds, net of the Savings Credits and the Withheld Savings, if any, shall equal the aggregate principal amount of the Outstanding Bonds. Notwithstanding any provision to the contrary in the Series 2010B Bond Resolution and in light of the foregoing, to the extent there is an acceleration of the then Outstanding Bonds, the Trustee might receive Loan Repayments earmarked to pay the principal amount of the accelerated Outstanding Bonds in excess of said Outstanding Bonds. In such case, any such excess amount shall be deposited by the Trustee in the General Fund to be used by the Trust free and clear of any lien created under the Series 2010B Bond Resolution for any corporate purpose of the Trust.

(E) The Trustee shall take into account as a credit to the Loan Repayments otherwise due from the Borrower on each such Loan Repayment date the Savings, other than the Withheld Savings, if any, specified in such the Savings Credit Schedule.

(F) On the date that is no more than 180 days after the date of issuance of the Series 2016A-R2 Refunding Bonds, any moneys remaining in the Costs of Issuance Account in the Operating Expense Fund shall be paid by the Trust to the Trustee for deposit in the Debt Service Fund to be used to pay interest on the Series 2016A-R2 Refunding Bonds on the first available Interest Payment Date.

SECTION 2.03. Authorization and Terms of the Series 2016A-R2 Refunding Bonds.

(A) The Trust hereby authorizes the issuance of the Series 2016A-R2 Refunding Bonds in the aggregate principal amount not to exceed an amount such that the aggregate principal amount of the Outstanding Bonds equals the aggregate principal amount of the Outstanding Series 2010B 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, if any), 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: (i) the 2016 Refunding of the Series 2010B Bonds to be Refunded and (ii) the payment of certain expenses incurred in connection with the issuance of the Series 2016A-R2 Refunding Bonds. Notwithstanding any provision of this Section 2.03(A) or this Series 2016A-R2 Refunding Supplemental Bond Resolution to the contrary, the Series 2016A-R2 Refunding Bonds shall not be issued by the Trust until satisfaction in full of the Trust Conditions Precedent.

(B) The Series 2016A-R2 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 September 1, 2016 and semiannually thereafter on March 1 and September 1 in each year until final maturity (stated or otherwise). Interest on the Series 2016A-R2 Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months. The Series 2016A-R2 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 2016A-R2 Refunding Bonds shall, except as provided in this subsection (B) and in subsection (C) and Section 2.08 below, be payable as otherwise provided in the Original Series 2010B Bond Resolution, as amended and supplemented. Except as provided in subsection (C) and Section 2.08 below, interest shall be paid to the registered owner as of the applicable Record Date by check mailed on any applicable Interest Payment Date.

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<tr>
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(C) The Series 2016A-R2 Refunding Bonds shall be dated the date of issuance thereof, shall be numbered with the prefix 2016A-R2-R from 1 consecutively upward, and will be issued in fully registered form. When issued, the Series 2016A-R2 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 2016A-R2 Refunding Bonds will be delivered to DTC in single denominations for each maturity thereof. Purchases of the Series 2016A-R2 Refunding Bonds will be made in book-entry form (without certificates) in denominations of $5,000 each or any integral multiple thereof. The Series 2016A-R2 Refunding Bonds will be issued in denominations of $5,000 each or any integral multiple thereof.

Notwithstanding any other provision in the Series 2010B Bond Resolution to the contrary, so long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2016A-R2 Refunding Bonds, payments of the principal of and interest on the Series 2016A-R2 Refunding Bonds will be made directly to Cede & Co., as nominee for DTC, in accordance with the provisions of the DTC Representation Letter, and interest shall be paid on each Interest Payment Date by wire transfer from the Paying Agent 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 2016A-R2 Refunding Bonds is the responsibility of the DTC participants.
(D) The Series 2016A-R2 Refunding Bonds shall constitute a single Series of Bonds, and each shall be designated “Environmental Infrastructure Refunding Bond, Series 2016A-R2 (2010B Financing Program)”.


(A) Optional Redemption. The Series 2016A-R2 Refunding Bonds are not subject to optional redemption prior to their stated maturities.

(B) Mandatory Sinking Fund Redemption. The Series 2016A-R2 Refunding Bonds are not subject to mandatory sinking fund redemption prior to their stated maturities.

SECTION 2.05. Form of Series 2016A-R2 Refunding Bonds. The Series 2016A-R2 Refunding Bonds shall be in substantially the form set forth in Section 14.01 of the Original Series 2010B Bond Resolution, as amended and supplemented, with such insertions, omissions or variations as may be necessary or appropriate to effectuate the purposes of this Series 2016A-R2 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 2016 Refunding of the Series 2010B Bonds to be Refunded.

SECTION 2.06. Execution, Authentication and Delivery. The Chairman or Vice Chairman of the Trust are each hereby severally authorized to execute the Series 2016A-R2 Refunding Bonds, and the Secretary and Assistant Secretary of the Trust are hereby severally authorized to attest to the execution of the Series 2016A-R2 Refunding Bonds by the Chairman or Vice Chairman of the Trust and to affix the corporate seal of the Trust upon the Series 2016A-R2 Refunding Bonds, all in accordance with Article III of the Original Series 2010B Bond Resolution, as amended and supplemented. Following execution of the Series 2016A-R2 Refunding Bonds, any Authorized Officer is hereby authorized to deliver the Series 2016A-R2 Refunding Bonds to the Trustee for authentication. The Trustee is hereby authorized and directed to authenticate the Series 2016A-R2 Refunding Bonds in accordance with Article III of the Original Series 2010B Bond Resolution, as amended and supplemented, and thereafter deliver the Series 2016A-R2 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 Original Series 2010B Bond Resolution, 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 2016A-R2 Refunding Bonds by the Trust as provided in the Series 2010B Bond Resolution and after the authentication and delivery thereof as also provided in the Series 2010B Bond Resolution, the Series 2016A-R2 Refunding Bonds shall constitute Refunding Bonds in accordance with Article II of the Original Series 2010B Bond Resolution, as amended and supplemented.

SECTION 2.08. Book-Entry Format. The Series 2016A-R2 Refunding Bonds shall be registered in the name of Cede & Co., and shall be issued in accordance with the terms of the
DTC Representation Letter and the provisions of Article II of the Original Series 2010B Bond Resolution, as amended and supplemented.
ARTICLE III

CREATION AND ESTABLISHMENT OF DEFEASED SERIES 2010B BOND ESCRROW FUND AND SEPARATE ACCOUNTS WITHIN ALL FUNDS;
APPLICATION OF SERIES 2016A-R2 REFUNDING BOND PROCEEDS AND TAX CERTIFICATE

SECTION 3.01. Creation of Defeased Series 2010B Bond Escrow Fund, Separate Accounts within all Funds and Certain Other Accounts and Funds.

(A) The Trust hereby creates, and the Trustee shall establish, for the sole benefit of the Holders of the Series 2010B Bonds to be Refunded in accordance with the terms of the Defeased Series 2010B Bond Escrow Deposit Agreement, a special and irrevocable escrow fund designated “Defeased Environmental Infrastructure Bonds, Series 2010B Escrow Fund (2016)” (the “Defeased Series 2010B Bond Escrow Fund”).

(B) Section 5.01 of the Original Series 2010B Bond Resolution is hereby amended and supplemented as follows: The Trust hereby directs the Trustee to establish separate subaccounts, as necessary, for the Series 2016A-R2 Refunding Bonds within each Account created under the Series 2010B Bond Resolution that is held by the Trustee. The Trust hereby further directs the Trustee to establish separate Accounts, as necessary, for the Series 2016A-R2 Refunding Bonds within each Fund created under the Series 2010B Bond Resolution that is held by the Trustee. The Trust is hereby authorized and directed to establish separate subaccounts, as necessary, within each Account created under the Series 2010B Bond Resolution that is held by the Trust. The Trust is hereby authorized and directed to establish separate Accounts, as necessary, within each Fund created under the Series 2010B Bond Resolution that is held by the Trust.

SECTION 3.02. Amendment of Section 5.05 of the Original Series 2010B Bond Resolution. Section 5.07(1) of the Original Series 2010B Bond Resolution is hereby amended to include at the end thereof the following paragraph 7:

“7. 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, if any, with respect to such Interest Payment Date, as set forth on the Savings Credit Schedules, which Withheld Savings, if any, shall be applied by the Trust in accordance with the provisions of Section 5.03(4) hereof.”

SECTION 3.03. [Reserved.]

SECTION 3.04. Application of the Proceeds of the Series 2016A-R2 Refunding Bonds and Other Moneys. The proceeds of the Series 2016A-R2 Refunding Bonds of $____________ (par of $____________, plus original issue premium of $____________, less underwriters' discount of $___________), shall be received by the Trustee, and the Trustee shall
deposit or transfer such proceeds, together with (i) such amounts on deposit in the respective Funds and Accounts under the Series 2010B Bond Resolution as shall be set forth in a Certificate of an Authorized Officer of the Trust and (ii) such amounts to be paid by the Trust with respect to the costs of issuing the Series 2016A-R2 Refunding Bonds pursuant to Section 3.06 hereof, into the Funds and Accounts as shall be set forth in a Certificate of an Authorized Officer of the Trust, to effect the 2016 Refunding of the Series 2010B Bonds to be Refunded; provided that the origin of moneys for such funds shall comply in all respects with the Series 2010B Bond Resolution, as amended and supplemented, and the Code.

SECTION 3.05. Tax Exempt Status of Series 2016A-R2 Refunding Bonds. The Trust covenants to comply with the provisions of the Code applicable to the Series 2016A-R2 Refunding Bonds and covenants not to take any action or fail to take any action that would cause the interest on the Series 2016A-R2 Refunding Bonds to become includable in gross income of the owners thereof for Federal income tax purposes under Section 103 of the Code or to become an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In accordance therewith, the Trust hereby authorizes and directs an Authorized Officer to execute a tax certificate prior to the issuance of the Series 2016A-R2 Refunding Bonds in such form as specified by Bond Counsel to the Trust.

SECTION 3.06. Payment of Costs of Issuing the Series 2016A-R2 Refunding Bonds. In connection with the issuance of the Series 2016A-R2 Refunding Bonds, the Trust hereby severally authorizes and directs the Authorized Officers to pay to the Trustee or the direct payee, as appropriate, from amounts available to the Trust for such purposes, the sum required to pay those costs of issuing the Series 2016A-R2 Refunding Bonds that are not permitted to be paid from the proceeds of the Series 2016A-R2 Refunding Bonds pursuant to the Code, if any, including, without limitation, such costs in respect of underwriters’ discount with respect to the Series 2016A-R2 Refunding Bonds. The amount to be paid by the Trust pursuant to this Section 3.06, if any, shall be set forth in, and applied pursuant to, a Certificate of an Authorized Officer of the Trust.
SECTION 4.01. Appointment of Trustee. U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Trustee for the holders of the Series 2016A-R2 Refunding Bonds. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2010B Bond Resolution by executing the certificate of authentication endorsed upon the Series 2016A-R2 Refunding Bonds upon the original issuance thereof. All of the provisions set forth in Article X or otherwise of the Original Series 2010B Bond Resolution, as amended and supplemented, relating to the Trustee shall be applicable to the Trustee with respect to the Series 2016A-R2 Refunding Bonds as if fully set forth herein.

SECTION 4.02. Appointment of Paying Agent. U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Paying Agent for the Series 2016A-R2 Refunding Bonds. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2010B Bond Resolution by executing and delivering a written acceptance thereof to the Trust and to the Trustee. The Trustee may be appointed and may serve as Paying Agent for the Series 2016A-R2 Refunding Bonds. All of the provisions set forth in Article X or otherwise of the Original Series 2010B Bond Resolution, as amended and supplemented, relating to the Paying Agent shall be applicable to the Paying Agent with respect to the Series 2016A-R2 Refunding Bonds as if fully set forth herein.

SECTION 4.03. Appointment of Defeased Series 2010B Bond Escrow Agent. U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Defeased Series 2010B Bond Escrow Agent for the Series 2010B Bonds to be Refunded. In such event, the Defeased Series 2010B Bond Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Defeased Series 2010B Bond Escrow Deposit Agreement by executing and delivering same.
ARTICLE V

DEFEASED SERIES 2010B BOND ESCROW DEPOSIT AGREEMENT,
SERIES 2016A-R2 CONTINUING DISCLOSURE AGREEMENTS,
OFFICIAL STATEMENT AND SALE OF THE SERIES 2016A-R2 REFUNDING
BONDS

SECTION 5.01. Defeased Series 2010B Bond Escrow Deposit Agreement and Series 2016A-R2 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 2010B Bond Escrow Deposit Agreement and the Series 2016A-R2 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 such Defeased Series 2010B Bond Escrow Deposit Agreement and Series 2016A-R2 Continuing Disclosure Agreements; provided, however, that the Defeased Series 2010B Bond Escrow Deposit Agreement shall in any event conform with all of the requirements for the defeasance of the Series 2010B Bonds to be Refunded as set forth in the Series 2010B Bond Resolution, particularly Article XII of the Original Series 2010B Bond Resolution, as amended and supplemented, and such Defeased Series 2010B Bond Escrow Deposit Agreement and Series 2016A-R2 Continuing Disclosure Agreements shall otherwise conform in all material respects to the provisions of this Article V.

(B) 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 2010B 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 2010B Bond Escrow Fund established in accordance with the terms of the Defeased Series 2010B Bond Escrow Deposit Agreement, as applicable, 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 2010B 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, to secure the appointment of an independent nationally recognized certified public accountant, which shall, in accordance with the requirements of Section 2.04(e) of the Original Series 2010B Bond Resolution, as amended and supplemented, prepare and deliver to the Trust and the Trustee a verification report with respect to the matters set forth in Sections 2.04(c), 2.04(d) and, if applicable, 2.04(f) of the Original Series 2010B Bond Resolution, 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 2016A-R2 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 2016A-R2 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 2016A-R2 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 2016A-R2 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 2016A-R2 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 2016A-R2 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 2016A-R2 Refunding Bonds a notice of sale with respect to the Series 2016A-R2 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 2016A-R2 Refunding Bonds; (ii) the criteria pursuant to which the award of the Series 2016A-R2 Refunding Bonds shall be made by the Trust; (iii) the date and time at which proposals for the purchase of the Series 2016A-R2 Refunding Bonds shall be accepted by the Trust; and (iv) the method by which the bidders for the purchase of the Series 2016A-R2 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 2016A-R2 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 2016A-R2 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 2016A-R2 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 2016A-R2 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 2016 Refunding of the Series 2010B 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 2016A-R2 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 2016A-R2 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 2016A-R2 Refunding Supplemental Bond Resolution. Notwithstanding any other provision herein to the contrary, the Series 2016A-R2 Refunding Bonds shall not be issued until the Trustee receives a Certificate of an Authorized Officer setting forth (i) the aggregate principal amount of Series 2016A-R2 Refunding Bonds to be issued, (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 2016A-R2 Refunding Bonds and the amounts and sources of funds to be deposited in the Defeased Series 2010B Bond Escrow Fund (iii) any changes to the Series 2010B Bond Resolution required (1) by any Rating Agency rating the Series 2016A-R2 Refunding Bonds or (2) to ensure that interest is excludable from the gross income of the Holders of the Series 2016A-R2 Refunding Bonds pursuant to the Code, (iv) that the amount of Savings is equal to or greater than three percent (3%) of the principal amount of the Series 2010B Bonds to be Refunded on a net present value basis, (v) the Savings Credit Schedules and the Withheld Savings, if any, relating to each respective Borrower, (vi) the Disclosure Borrowers, if any, as determined pursuant to the criteria set forth in Section 6.05 hereof, and (vii) subject to the parameters set forth in the definition of Series 2016A-R2 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 2016A-R2 Refunding Supplemental Bond Resolution, as originally adopted on April 14, 2016, deemed necessary, desirable or convenient by any such Authorized Officer to sell the Series 2016A-R2 Refunding Bonds at the lowest cost and with the greatest Savings to effect the 2016 Refunding of the Series 2010B Bonds to be Refunded, the contents of which Certificate may be incorporated in this Series 2016A-R2 Refunding Supplemental Bond Resolution, as originally adopted on April 14, 2016, deemed necessary, desirable or convenient by any such Authorized Officer to sell the Series 2016A-R2 Refunding Bonds at the lowest cost and with the greatest Savings to effect the 2016 Refunding of the Series 2010B Bonds to be Refunded, the contents of which Certificate may be incorporated in this Series 2016A-R2 Refunding Supplemental Bond Resolution, 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 6.01. Series 2016A-R2 Refunding Supplemental Bond Resolution to Govern. To the extent that the provisions of this Series 2016A-R2 Refunding Supplemental Bond Resolution are inconsistent with the provisions of the Original Series 2010B Bond Resolution, the provisions of this Series 2016A-R2 Refunding Supplemental Bond Resolution shall control.

SECTION 6.02. 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 2016A-R2 Refunding Bonds, (ii) to effect the 2016 Refunding of the Series 2010B Bonds to be Refunded, and (iii) to maintain the exclusion from gross income under Section 103 of the Code of the interest on the Series 2016A-R2 Refunding Bonds and the Series 2010B Bonds to be Refunded (including the preparation and filing of any information reports or other documents

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with respect to the Series 2016A-R2 Refunding Bonds or the Series 2010B Bonds to be Refunded as may at any time be required under Section 149 of the Code).

SECTION 6.03. Series 2016A-R2 Refunding Supplemental Bond Resolution Amendments. This Series 2016A-R2 Refunding Supplemental Bond Resolution may be amended and supplemented prior to the issuance of the Series 2016A-R2 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 the Original Series 2010B Bond Resolution, 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 the Series 2010B Bond Resolution relating to the amendment or supplement to a Supplemental Resolution.

SECTION 6.05. Continuing Disclosure. Prior to the issuance of the Series 2016A-R2 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 2016A-R2 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 Series 2010B 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 Series 2010B 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 Series 2010B Trust Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materially secure the remaining Series 2010B Fund Loan repayments and the Series 2010B 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 2016A-R2 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 the Program is an "obligated person". Accordingly, the Trust hereby covenants to provide on behalf of the Program notice of Bond Disclosure Events (as defined in the Series 2016A-R2 Trust Continuing Disclosure Agreement), if material, with respect to the Series 2016A-R2 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 the Original Series 2010B Bond Resolution, 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. [Reserved.]

SECTION 6.07. Effective Date. This Series 2016A-R2 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 2016A-R2 Refunding Supplemental Bond Resolution.
EXHIBIT A

FORMS OF DEFEASED SERIES 2010B BOND ESCROW DEPOSIT AGREEMENT AND SERIES 2016A-R2 CONTINUING DISCLOSURE AGREEMENT
ESCROW DEPOSIT AGREEMENT,
SERIES 2016A-R2 (2010B FINANCING PROGRAM)

Dated May 26, 2016

between

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

and

U.S. BANK NATIONAL ASSOCIATION,
as Defeased Series 2010B Bond Escrow Agent
THIS ESCROW DEPOSIT AGREEMENT, SERIES 2016A-R2 (2010B FINANCING PROGRAM), dated May 26, 2016, 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 2010B Bond Escrow Agent;

W I T N E S S E T H:

WHEREAS, on December 2, 2010, 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 2010B" dated December 2, 2010, in the original aggregate principal amount of $117,265,000 (the "Series 2010B Bonds") in accordance with the provisions of the "Environmental Infrastructure Bond Resolution, Series 2010B" of the Trust duly adopted by the Trust on October 21, 2010 (the "Original 2010B Bond Resolution"), the Act and all other applicable law;

WHEREAS, the primary share of the proceeds of the Series 2010B Bonds were applied by the Trust to the making of loans (the "Series 2010B Trust Loans") to each of the Series 2010B Borrowers (as defined in the hereinafter defined Series 2016A-R2 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 Environmental Infrastructure Financing Program, Series 2010B, 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 2010B Fund Loans") to each of the Series 2010B Borrowers for the balance of the then eligible costs of each such Project, with the balance of any such costs funded by the Series 2010B Borrowers or by supplemental loans from the Trust and the State in other Programs;

WHEREAS, the Series 2010B Trust Loans were evidenced by revenue bonds issued by authority Series 2010B Borrowers and, if other Series 2010B Borrowers received Series 2010B Trust Loans, by general obligation bonds issued by such other Series 2010B Borrowers (collectively, the "Series 2010B Local Unit Trust Loan Bonds") in accordance with all applicable law;
WHEREAS, the Series 2010B Fund Loans were evidenced by revenue bonds issued by authority Series 2010B Borrowers and, if other Series 2010B Borrowers received Series 2010B Fund Loans, by general obligation bonds issued by such other Series 2010B Borrowers (collectively, the "Series 2010B Local Unit Fund Loan Bonds", and together with the Series 2010B Local Unit Trust Loan Bonds, the "Series 2010B Local Unit Bonds") in accordance with all applicable law;

WHEREAS, the Series 2010B Bonds are principally secured by the Series 2010B Trust Loan repayment obligations of the Series 2010B Borrowers as evidenced by the Series 2010B 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 2010B Bonds defined below as the Series 2010B Bonds to be Refunded through the implementation of the hereinafter defined 2016 Refunding of the Series 2010B Bonds to be Refunded (net of all costs incurred in connection therewith, the "Savings");

WHEREAS, Section 2.04(1) of the Original Series 2010B Bond Resolution and the terms of the Series 2016A-R2 Refunding Supplemental Bond Resolution permit the issuance of the hereinafter defined Series 2016A-R2 Refunding Bonds as "Additional Bonds" to achieve the 2016 Refunding of the Series 2010B Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original Series 2010B Bond Resolution;

WHEREAS, upon issuance of the Series 2016A-R2 Refunding Bonds, a portion of the Series 2010B Bonds will remain Outstanding;

WHEREAS, on May 26, 2016, the Trust shall issue its "Environmental Infrastructure Refunding Bonds, Series 2016A-R2" to be dated May 26, 2016 in an aggregate principal amount of $_________ (the "Series 2016A-R2 Refunding Bonds"), which shall be issued pursuant to the terms of (i) the Original Series 2010B Bond Resolution, as amended and supplemented by the "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R2 (2010B Financing Program) of the New Jersey Environmental Infrastructure Trust" adopted by the Trust on April 14, 2016, as amended and supplemented by a certificate of an Authorized Officer of the Trust to be dated May 26, 2016 (the "Series 2016A-R2 Refunding Supplemental Bond Resolution," and together with the Original Series 2010B Bond Resolution, and as the same may be further amended and supplemented from time to time in accordance with its terms, the "Series 2010B Bond Resolution"), (ii) the Act, and (iii) all other applicable law;

WHEREAS, upon issuance of the Series 2016A-R2 Refunding Bonds, the Trust shall establish an escrow fund (the "Defeased Series 2010B Bond Escrow Fund") in accordance with the terms of this "Escrow Deposit Agreement, Series 2016A-R2 (2010B Financing Program)" dated May 26, 2016 (as the same may be amended and supplemented from time to time in accordance with its terms, the "Defeased Series 2010B Bond Escrow Deposit Agreement") by and between the Trust and U.S. Bank National Association, Morristown, New Jersey (the
original trustee under the Original Series 2010B Bond Resolution), as Defeased Series 2010B Bond Escrow Agent (or any successor thereto, the "Defeased Series 2010B Bond Escrow Agent") thereunder;

**WHEREAS**, upon issuance of the Series 2016A-R2 Refunding Bonds, the Trust will cause moneys to be deposited in the Defeased Series 2010B 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 1, 2016 through and including September 1, 2019 (the “Redemption Date”) on a portion of the Outstanding Series 2010B Bonds otherwise maturing on September 1, 2020 through and including September 1, 2030 (the principal amount of each such maturity being identified in Schedule A attached hereto) (collectively, the “Series 2010B Bonds to be Refunded”) and (ii) all of the principal of the Series 2010B Bonds to be Refunded on the Redemption Date and (iii) the redemption premium, if any, applicable to redeeming all of the Series 2010B Bonds to be Refunded on the Redemption Date (collectively, the “2016 Refunding of the Series 2010B Bonds to be Refunded”);

**WHEREAS**, upon issuance of the Series 2016A-R2 Refunding Bonds, the Trust will finance the 2016 Refunding of the Series 2010B Bonds to be Refunded with deposits into the Defeased Series 2010B Bond Escrow Fund from the following sources:  (i) from the primary share of the proceeds of the Series 2016A-R2 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 2010B Bond Resolution by U.S. Bank National Association, Morristown, New Jersey, as Trustee (or any successor thereto, the "Trustee") thereunder, all as set forth in the Series 2016A-R2 Refunding Supplemental Bond Resolution and in this Defeased Series 2010B Bond Escrow Deposit Agreement; and

**WHEREAS**, upon issuance of the Series 2016A-R2 Refunding Bonds, the Trust, in accordance with the Act, the Series 2010B Bond Resolution and a financial plan approved by the State Legislature in accordance with Section 23 of the Act, will (i) issue the Series 2016A-R2 Refunding Bonds for the purpose of applying the primary share of the 2010B Allocable Portion thereof toward the 2016 Refunding of the Series 2010B Bonds to be Refunded and (ii) apply the balance of the proceeds thereof to the payment to the Series 2010B Borrowers of their pro-rata portion of the Savings (i.e., 100%) achieved from the 2016 Refunding of the Series 2010B 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 2010B Bond Escrow Agent
Defeased Series 2010B Bond Escrow Deposit Agreement
Defeased Series 2010B Bond Escrow Fund
DEP
Original 2010B Bond Resolution
Projects
Program
Redemption Date
Rule 15c2-12
Savings
SEC
Securities Exchange Act
Series 2010B Bond Resolution
Series 2010B Bonds
Series 2010B Bonds to be Refunded
Series 2010B Fund Loans
Series 2010B Local Unit Bonds
Series 2010B Local Unit Fund Loan Bonds
Series 2010B Local Unit Trust Loan Bonds
Series 2010B Trust Loans
Series 2016A-R2 Continuing Disclosure Agreements
Series 2016A-R2 Refunding Bonds
Series 2016A-R2 Refunding Supplemental Bond Resolution
State
Trust
Trustee
2010B Allocable Portion
2016 Refunding of the Series 2010B Bonds to be Refunded

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


Pursuant to Section 3.01(A) of the Series 2016A-R2 Refunding Supplemental Bond Resolution, the Trust has created and established with the Defeased Series 2010B Bond Escrow Agent a special and irrevocable escrow fund designated "Defeased Environmental Infrastructure Bonds, Series 2010B Escrow Fund (2016)" (the "Defeased Series 2010B Bond Escrow Fund") to be held by the Defeased Series 2010B Bond Escrow Agent as a trust fund for the benefit of the holders of the Series 2010B Bonds to be Refunded. The Defeased Series 2010B Bond Escrow Fund shall be held by the Defeased Series 2010B Bond Escrow Agent separate and apart from all other funds of the Trust and the Defeased Series 2010B Bond Escrow Agent. For all purposes hereunder and in accordance with Article XII of the Original Series 2010B Bond Resolution, as amended and supplemented, the Defeased Series 2010B Bond Escrow Agent is acting as agent for the Trustee.
SECTION 3. Receipt of Funds.

(a) The Defeased Series 2010B Bond Escrow Agent hereby acknowledges receipt on May 26, 2016 from the Trustee of $___ on deposit in the Project Fund, created and existing under the Series 2010B Bond Resolution (see Exhibit A attached hereto and made a part hereof for a detailed allocation thereof to each Series 2010B Borrower), for immediate transfer to the Defeased Series 2010B Bond Escrow Agent for deposit in the Defeased Series 2010B Bond Escrow Fund, all as required by Section 3.04 of the Series 2016A-R2 Refunding Supplemental Bond Resolution.

(b) In accordance with the terms of a Certificate of an Authorized Officer of the Trust delivered pursuant to Section 3.04 of the Series 2016A-R2 Refunding Supplemental Bond Resolution, simultaneously with the execution and delivery hereof, the Trustee has received from the purchasers of the Series 2016A-R2 Refunding Bonds in immediately available funds for immediate transfer to the Defeased Series 2010B Bond Escrow Agent for deposit in the Defeased Series 2010B Bond Escrow Fund the sum of $____ as required by such Certificate. The Defeased Series 2010B Bond Escrow Agent hereby acknowledges receipt on May 26, 2016, of such moneys from the Trustee.

(c) Accordingly, on May 26, 2016, the Defeased Series 2010B Bond Escrow Agent hereby acknowledges the collective receipt of $___ for immediate transfer to or deposit in the Defeased Series 2010B Bond Escrow Fund, all as required by a Certificate of an Authorized Officer of the Trust delivered pursuant to Section 3.04 of the Series 2016A-R2 Refunding Supplemental Bond Resolution.

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

(a) Immediately upon the Defeased Series 2010B 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 2010B Bond Escrow Agent shall immediately deposit same in the Defeased Series 2010B Bond Escrow Fund.

(b) The Defeased Series 2010B Bond Escrow Agent is hereby authorized and directed by the Trust to apply $____ from the amounts so deposited in the Defeased Series 2010B Bond Escrow Fund in accordance with Section 3 above to the purchase on May 26, 2016 of the particular Investment Securities (as defined in the Original 2010B Bond Resolution), as identified on the attached Exhibit B hereto (the “Defeasance Securities”), leaving the balance of such deposit in the amount of $__ to remain uninvested as 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 2010B Bond Resolution, as amended and supplemented, and in accordance with the requirements of Article XII of the Original 2010B Bond Resolution, as amended and supplemented. In sole reliance upon the verification report of _____ LLC/Inc., dated May 26, 2016, attached hereto as Exhibit C, the receipt of which is acknowledged by the parties.
hereto, the Trust represents that the amounts so deposited in the Deceased Series 2010B Bond Escrow Fund, together with income from the investment thereof pursuant to this Deceased Series 2010B Bond Escrow Deposit Agreement, will provide sufficient funds to pay (i) all of the interest due from September 1, 2016 through the Redemption Date on the Series 2010B Bonds to be Refunded, and (ii) all of the principal of the Series 2010B Bonds to be Refunded on the Redemption Date.


The Deceased Series 2010B Bond Escrow Agent agrees that the amounts deposited in the Deceased Series 2010B 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 Deceased Series 2010B Bond Escrow Fund will be held in trust solely for the benefit of the holders of the Series 2010B Bonds to be Refunded. The Trust hereby irrevocably instructs the Deceased Series 2010B Bond Escrow Agent to apply the amounts deposited in the Deceased Series 2010B Bond Escrow Fund to the payment of (i) all of the interest due from September 1, 2016 through and including the Redemption Date on all of the Series 2010B Bonds to be Refunded, and (ii) all of the principal of all of the Series 2010B Bonds to be Refunded on the Redemption Date.

Notices of defeasance and redemption of the Series 2010B Bonds to be Refunded shall be given by the Deceased Series 2010B Bond Escrow Agent in accordance with Section 7 hereof. The Deceased Series 2010B Bond Escrow Agent shall have no liability for the payment of the principal and redemption premium of and the interest on the Series 2010B Bonds to be Refunded pursuant to this Section 5 and the Series 2010B 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 Deceased Series 2010B Bond Escrow Fund. The Deceased Series 2010B Bond Escrow Agent shall not be liable for any loss resulting from any investment made in accordance with the provisions of this Deceased Series 2010B Bond Escrow Deposit Agreement or from any error in the numerical calculations set forth in the Exhibits attached hereto.


(a) Except as provided in Sections 4, 5 and 6 hereof, the Deceased Series 2010B Bond Escrow Agent shall have no power or duty to invest any funds held under this Deceased Series 2010B 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 Deceased Series 2010B 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 Deceased Series 2010B Bond Escrow Agent to exercise any of the powers described in the preceding sentence in any manner that would cause the
Series 2016A-R2 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 2016A-R2 Refunding Bonds. The Defeased Series 2010B 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 2010B 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 2010B 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 2016A-R2 Refunding Bonds or, if the Series 2016A-R2 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 2010B 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 2010B 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 2016A-R2 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 hereto. The Trust hereby covenants that no part of the moneys or funds at any time in the Defeased Series 2010B Bond Escrow Fund shall be used directly or indirectly to acquire any investment property, the acquisition of which would cause any Series 2016A-R2 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 2010B 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 2010B Bonds to be Refunded.

SECTION 7. Receipt, Notice and Publication.

The Defeased Series 2010B Bond Escrow Agent acknowledges receipt of the Series 2016A-R1 Refunding Supplemental Bond Resolution in which the 2016 Refunding of the Series 2010B Bonds to be Refunded is authorized and approved. The Defeased Series 2010B Bond Escrow Agent is hereby further irrevocably instructed, and hereby agrees, to mail (via first class mail) (i) as soon as practicable after the date hereof, in the manner prescribed by Article XII of the Original 2010B Bond Resolution, a notice to the holders of the Series 2010B Bonds to be Refunded,
substantially in the form of Exhibit D attached to this Defeased Series 2010B Bond Escrow Deposit Agreement, that the deposit has been made with the Defeased Series 2010B Bond Escrow Agent and that the Series 2010B Bonds to be Refunded are deemed to have been paid in accordance with Article XII of the Original 2010B 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 2010B Bonds to be Refunded; and (ii) no later than August 1, 2019, which is at least thirty (30) days but not more than forty-five (45) days prior to the Redemption Date, a notice of redemption, in substantially the form attached hereto as Exhibit E, to all registered owners of the Series 2010B Bonds to be Refunded to be redeemed in accordance with the requirements of Article IV and other redemption provisions of the Original 2010B Bond Resolution, as amended and supplemented. Such instruction satisfies the requirements of Section 2.04(2)(a) of the Original 2010B Bond Resolution.

SECTION 8. Transfer of Balance in Defeased Series 2010B Bond Escrow Fund after payment of the Series 2010B 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 2010B Bonds to be Refunded, all remaining moneys and securities in the Defeased Series 2010B Bond Escrow Fund shall be transferred by the Defeased Series 2010B Bond Escrow Agent to the Trustee for deposit in such funds and accounts under the Series 2010B 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 2016A-R2 Refunding Bonds or, if the Series 2016A-R2 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.


The Defeased Series 2010B Bond Escrow Fund created hereby shall be irrevocable, and the holders of the Series 2010B Bonds to be Refunded shall have an express lien on and security interest in all amounts deposited in the Defeased Series 2010B Bond Escrow Fund, including all amounts representing principal of and all amounts representing interest on the Defeasance Securities in the Defeased Series 2010B Bond Escrow Fund until used and applied in accordance herewith. The Trust shall take or cause to be taken all action necessary to preserve the security of the holders of the Series 2010B Bonds to be Refunded and the right, title and interest of the Defeased Series 2010B Bond Escrow Agent to all amounts deposited in the Defeased Series 2010B Bond Escrow Fund and the principal and interest with respect to the Defeasance Securities so long as any of the Series 2010B Bonds to be Refunded remain unpaid.

(a)  The Defeased Series 2010B 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 May 26, 2016.  This right to receive compensation notwithstanding, the Defeased Series 2010B 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 2010B 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 2010B Bond Escrow Fund for any such payment.

(b)  The recitals of fact in this Defeased Series 2010B Bond Escrow Deposit Agreement shall be taken as the statements of the Trust, and the Defeased Series 2010B Bond Escrow Agent does not assume any responsibility for the correctness of the same.  The Defeased Series 2010B 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 2010B Bond Escrow Deposit Agreement or to advance any of its own moneys unless properly indemnified to its satisfaction.  The Defeased Series 2010B 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 2010B 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 2010B 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 2010B 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 2010B 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 2010B Bond Escrow Deposit Agreement, but in its discretion the Defeased Series 2010B 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 2010B 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 2010B Bond Resolution and applicable New Jersey law, and only out of the Trust Estate (as defined in the Series 2010B Bond Resolution), shall indemnify and save harmless the Defeased Series 2010B Bond Escrow Agent against any loss, liability or expense, including legal fees, that the Defeased Series 2010B 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 2010B Bond Escrow Agent provided for in this Section 10(d) shall survive termination of this Defeased Series 2010B Bond Escrow Deposit Agreement pursuant to Section 11 hereof and the resignation or removal of the Defeased Series 2010B Bond Escrow Agent.

(e) The Defeased Series 2010B 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 2010B Bond Resolution, as amended and supplemented; (iii) the Defeased Series 2010B Bond Escrow Agent has received an instrument of acceptance executed by the successor to the Defeased Series 2010B Bond Escrow Agent hereunder; and (iv) the Defeased Series 2010B Bond Escrow Agent has delivered to its successor hereunder all of the escrow documents, Defeasance Securities, moneys and investments held by the Defeased Series 2010B Bond Escrow Agent in the Defeased Series 2010B 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 2010B Bond Escrow Agent hereunder as soon as possible. If no appointment of a successor to the Defeased Series 2010B Bond Escrow Agent is made within forty-five (45) days after receipt by the Trust of the aforementioned notice, the Defeased Series 2010B Bond Escrow Agent may apply to any court of competent jurisdiction to appoint a successor thereto.

(f) The Defeased Series 2010B 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 2010B Bond Escrow Agent at least thirty (30) days prior to the effective date of the removal of such Defeased Series 2010B Bond Escrow Agent. Upon such effective date, the Defeased Series 2010B Bond Escrow Agent shall deliver to the Defeased Series 2010B 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 2010B Bond Escrow Agent set forth herein shall be automatically assumed by any successor organization to U.S. Bank National Association, 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 2010B 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 2010B Bonds to be Refunded as set forth in Section 5 hereof have been fully satisfied; provided, that moneys held by the Defeased Series 2010B Bond Escrow Agent in the Defeased Series 2010B Bond Escrow Fund for the payment and discharge of any of the Series 2010B 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 2010B 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 2010B Bonds to be Refunded at the time such election is made; provided, however, that the Trust and the Defeased Series 2010B Bond Escrow Agent may, without the consent of or notice to the holders of the unpaid Series 2010B Bonds to be Refunded, enter into such agreements supplemental to this Defeased Series 2010B 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 2010B 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 2010B Bond Escrow Deposit Agreement; or

(b) to grant to or confer upon the Defeased Series 2010B Bond Escrow Agent for the benefit of the holders of the Series 2010B Bonds to be Refunded any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Defeased Series 2010B Bond Escrow Agent.

The Defeased Series 2010B 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 2010B 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 2010B Bond Escrow Deposit Agreement regarding the investment or other use of the proceeds of the Series 2016A-R2 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 2016A-R2 Refunding Bonds in accordance with such change will not adversely affect the exclusion of interest on the Series 2016A-R2 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 2010B 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.

-11-
[ signatures appear on following page ]
IN WITNESS WHEREOF, the parties hereto have each caused this Defeased Series 2010B 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.

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

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

U.S. BANK NATIONAL ASSOCIATION,
as Defeased Series 2010B
Bond Escrow Agent

By: __________________________
    Name:
    Title:
# SCHEDULE A

## SERIES 2010B BONDS TO BE REFUNDED

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Schedule A
EXHIBIT A

AMOUNTS TO BE TRANSFERRED FROM THE PROJECT FUND

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EXHIBIT B

DEFEASANCE SECURITIES
EXHIBIT C

VERIFICATION REPORT OF ________ LLC/INC.
DEFEASANCE NOTICE TO THE HOLDERS OF CERTAIN
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
“ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2010B”
DATED: DECEMBER 2, 2010

Notice is hereby given to the holders of the outstanding “Environmental Infrastructure Bonds, Series 2010B” of the New Jersey Environmental Infrastructure Trust (the “Trust”), dated December 2, 2010 (the “Bonds”), more particularly described below as the “Refunded Bonds”, that there have been deposited with U.S. Bank National Association, as Defeased Series 2010B 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 on the above referenced Bonds (the “Refunded Bonds”) through and including September 1, 2019, the redemption date thereof. The Refunded Bonds are deemed to have been paid in accordance with Article XII of that certain “Environmental Infrastructure Bond Resolution, Series 2010B” of the Trust duly adopted by the Trust on October 21, 2010, as amended and supplemented by that certain “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R2 (2010B Financing Program) of the New Jersey Environmental Infrastructure Trust” of the Trust duly adopted by the Trust on April 14, 2016, as further amended and supplemented by a certificate of an authorized officer of the Trust dated May 26, 2016.

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 Defeasance. Reliance may only be placed on the identification numbers printed herein or on the Bonds.

New Jersey Environmental Infrastructure Trust
by U.S. Bank National Association,
as Defeased Series 2010B Bond Escrow Agent
EXHIBIT E

NOTICE OF REDEMPTION

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
“ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES 2010B”
DATED: DECEMBER 2, 2010

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<th>Interest Rate</th>
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NOTICE IS HEREBY GIVEN THAT, pursuant to the provisions of that certain “Environmental Infrastructure Bond Resolution, Series 2010B” of the New Jersey Environmental Infrastructure Trust (the “Trust”), duly adopted by the Trust on October 21, 2010, as amended and supplemented by that certain supplemental bond resolution, adopted by the Trust on April 14, 2016 and entitled “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R2 (2010B Financing Program) of the New Jersey Environmental Infrastructure Trust” (collectively, the “Resolution”), all of the above-referenced bonds (the “Bonds”) have been called for redemption on September 1, 2019 (the “Redemption Date”) at a redemption price of 100% of the principal amount thereof for the Bonds maturing on September 1, 2020 through and including September 1, 2030, plus interest accrued to September 1, 2019, in accordance with Sections 2.03(5), 4.05 and 12.01 of the Resolution. Such redemption is conditioned upon there being on deposit with U.S. Bank National Association (the “Trustee”) on the Redemption Date moneys sufficient for the payment of the redemption price and the accrued interest to the Redemption Date. You are hereby notified that the Bonds should be presented for redemption at U.S. Bank National Association, Corporate Trust Department, 21 South Street, 3rd Floor, Morristown, New Jersey 07960, on or immediately before the Redemption Date. On said date, the Bonds will become due and payable at the redemption price stated above, plus interest accrued to September 1, 2019, and interest on all such Bonds shall cease to accrue from and after September 1, 2019 in accordance with Sections 2.03(5), 4.05 and 12.01 of the Resolution.

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 U.S. Bank National Association,
as Trustee
TRUST CONTINUING DISCLOSURE AGREEMENT

BY AND AMONG

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST,

[TRUSTEE],
as Trustee

AND

U.S. BANK TRUST NATIONAL ASSOCIATION
as Master Program Trustee

Dated as of [Date]

Entered into with respect to the New Jersey Environmental Infrastructure Trust's [Bonds], dated [dated date]
TRUST CONTINUING DISCLOSURE AGREEMENT

THIS TRUST CONTINUING DISCLOSURE AGREEMENT (this "Agreement"), made and entered into as of [date], 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"), [TRUSTEE], as Trustee, a national banking association and trust company duly organized and validly existing under the laws of the United States and duly authorized to act in the State (the "Trustee"), and U.S. BANK TRUST NATIONAL ASSOCIATION, as Master Program Trustee, a national banking association and trust company duly organized and validly existing under the laws of the United States and duly authorized to act in the State (the "Master Program Trustee").

WITNESSETH THAT:

WHEREAS, the Trust, duly created and validly existing under and by virtue of the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 et seq.), as the same may from time to time be amended and supplemented (the "Act"); in accordance with and pursuant to (i) the Act, (ii) the [Bond Resolution], as adopted by the Board of Directors of the Trust on [date] (the "Resolution"), and (iii) a financial plan approved by the State Legislature in accordance with Section 23 of the Act, has issued its [Bonds] (the "Bonds") as part of the [2016] environmental infrastructure financing program (the "Program") for the purpose, inter alia, of making loans to, among others, any New Jersey municipality or county or municipal, county or regional sewerage, utilities or improvement authority, any other local political subdivision, or any private water company (each a "Borrower") authorized to construct, operate and maintain environmental infrastructure systems that has entered into a Loan Agreement with the Trust, dated as of [date] (each a "Trust Loan Agreement"), pursuant to which such Borrower will borrow money financed through the issuance of the Bonds (the "Trust Loan") to finance a portion of the cost of its environmental infrastructure system project (each a "Project") (all capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in Article I of the Trust Loan Agreement);

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

WHEREAS, the State Legislature, in accordance with Section 20 of the Act, has in the form of an appropriations act approved a project priority list that includes each Project and that authorizes an expenditure of proceeds of the Bonds to finance a portion of the Cost of the Project;

WHEREAS, the Trust has approved each Borrower's application for a Trust Loan from available proceeds of the Bonds to finance a portion of the Cost of the Project;
WHEREAS, the State, acting by and through the New Jersey Department of Environmental Protection, has simultaneously made a companion loan (each a "Fund Loan") to each of the Borrowers for the balance of the then eligible costs of each such Project, with the balance of any such costs funded by the Borrowers or by supplemental loans from the Trust and the State in other financing programs;

WHEREAS, each Borrower, in accordance with, as applicable, the Act, the Regulations, and WHEREAS, each Borrower, in accordance with, as applicable, the Act, the Regulations, the Borrower Enabling Act, the "Local Bond Law, as the same may from time to time be amended and supplemented, the "Municipal and County Utilities Authorities Law", constituting Chapter 183 of the Pamphlet Laws of 1957 of the State (codified at N.J.S.A. 40:14B-1 et seq.), as the same may from time to time be amended and supplemented, the "Sewerage Authorities Law", constituting Chapter 138 of the Pamphlet Laws of 1946 of the State (codified at N.J.S.A. 40:14A-2 et seq.), as the same may from time to time be amended and supplemented, the "County Improvement Authorities Law", constituting Chapter 183 of the Pamphlet Laws of 1960 of the State (codified at N.J.S.A. 40:37A-44 et seq.), as the same may from time to time be amended and supplemented, the "Local Authorities Fiscal Control Law", constituting Chapter 313 of the Pamphlet Laws of 1983 of the State (codified at N.J.S.A. 40A:5A-1 et seq.), as the same may from time to time be amended and supplemented, and the "New Jersey Business Corporation Act", constituting Chapter 263 of the Pamphlet Laws of 1968 of the State (codified at N.J.S.A. 14A:1-1 et seq.), as the same may from time to time be amended and supplemented, has issued a Borrower bond to the Trust evidencing its Trust Loan and a Borrower bond to the State evidencing its Fund Loan on the date of issuance of the Bonds;

WHEREAS, the Trustee has duly accepted, as Trustee for the Holders from time to time of the Bonds, the trusts imposed upon it by the Resolution in connection with the issuance of the Bonds;

WHEREAS, pursuant to the terms and provisions of the Resolution the State’s right to receive Fund Loan repayments to be made by Borrowers is subordinate to the right of the Trust to receive Trust Loan repayments to be made by such Borrowers as security for the Bonds;

WHEREAS, pursuant to the terms and provisions of that certain Master Program Trust Agreement dated as of November 1, 1995 by and among the Trust, the State, acting by and through the State Treasurer on behalf of the State and the State Department of Environmental Protection, United States Trust Company of New York, as Master Program Trustee thereunder, The Bank of New York (NJ), in several capacities thereunder, and First Fidelity Bank, N.A. (predecessor to U.S. Bank National Association), in several capacities thereunder, as supplemented by that certain Agreement of Resignation of Outgoing Master Program Trustee, Appointment of Successor Master Program Trustee and Acceptance Agreement dated as of November 1, 2001 by and among the United States Trust Company of New York, as Outgoing Master Program Trustee, State Street Bank and Trust Company, N.A., (predecessor to U.S. Bank Trust National Association), as Successor Master Program Trustee, and the 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"), the State has agreed to subordinate further its right to receive Fund Loan repayments to be made pursuant to the Coverage Providing Financing Programs (as such term is defined in the Master Program Trust Agreement), which further subordination will occur through the payment by the loan servicers under the Coverage Providing Financing Programs of certain moneys into a "Master Program Trust Account" at the times and in the amounts set forth in the Master Program Trust Agreement, such moneys to be held by the Master Program Trustee as security for the Coverage Receiving Trust Bonds (as such term is defined in the Master Program Trust Agreement), including, without limitation, the Bonds;

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

WHEREAS, in order to comply with Rule 15c2-12, the 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 [date] (the "Notice of Sale"), the Preliminary Official Statement dated [date] (the "Preliminary Official Statement") and the Final Official Statement dated [date] (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 Trustee (or any successor thereto) for the purpose of satisfying Rule 15c2-12, and pursuant to the terms of such agreement each such Borrower is required to cause the delivery of the information described therein to the municipal securities marketplace for the period of time specified therein;

WHEREAS, the 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 Trustee and the Master Program Trustee for the purpose of satisfying Rule 15c2-12;
WHEREAS, on [Sale Date], the Trust accepted the bid of [Purchaser], 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 Trustee and the Master Program Trustee, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and for the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner.

NOW, THEREFORE, for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the Trust, the Trustee and the Master Program Trustee, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:
ARTICLE 1
DEFINITIONS

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

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

"Annual Report" means Financial Statements and Operating Data provided at least annually with respect to the 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 Note 7 to the audited financial statements of the Trust, attached as Appendix A to the Final Official Statement.

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

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

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

Section 1.3. Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms as used in this Agreement refer to this Agreement as a whole unless otherwise expressly stated. The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.
ARTICLE 2
CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1. Continuing Disclosure Covenants of 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, 20__ (which ended on June 30, 20__), an Annual Report to each Repository in Prescribed Form.

(b) Not later than fifteen (15) days prior to the date with respect to each Fiscal Year specified in Section 2.1(a) hereof, a copy of the Annual Report, complete to the extent required in Section 2.1(a) hereof, to the Trustee and the Dissemination Agent (if the 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 Trustee (for informational purposes only):

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to the rights of Bondholders, if material;

(viii) Bond calls (other than regularly scheduled mandatory sinking fund redemptions for which notice of redemption has been given to the
Bondholders as required pursuant to the provisions of the Resolution), if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xiii) Bankruptcy, insolvency, receivership or similar event of any Obligated Person;

(xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor to the Trustee or the Master Program Trustee, appointment of an additional Trustee or Master Program Trustee, or the change of name of the Trustee or the Master Program Trustee, if material.

Section 2.2. Reserved.

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

(b) Any or all of the items that must be included in the Annual Report may be incorporated by reference from other documents, including official statements delivered in connection with other financings issued on behalf of the 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 Trustee. (a) If fifteen (15) days prior to the date specified in Section 2.1(a) hereof the Trustee has not received a copy of the Annual Report, complete to the extent required in Section 2.1(a)
hereof, the Trustee shall contact the 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 Trustee, 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 Trustee shall send a notice to each National Repository or to the MSRB and the State Depository, if any, in substantially the form attached hereto as Exhibit B together with any standard forms or cover sheets that may be required by the MSRB as of the date thereof, with a copy thereof to the 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 "BondDisclosure 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 BondDisclosure 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 BondDisclosure 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 Trustee to provide notices of events of default to Bondholders under Article IX of the Resolution. The Trust shall file a copy of each BondDisclosure Event Notice with the Trustee (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 Trustee (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 Trustee. 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 Trustee, 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.

(d) The Trust, the Trustee and the Master Program trustee acknowledge that the Trust has not, as of the date of this Agreement, appointed or engaged any party, including, without limitation, the Trustee or the Master Program Trustee, to serve as Dissemination Agent.

Section 2.6. Responsibilities and Duties of Master Program Trustee. The Master Program Trustee, for the purposes of satisfying the requirements of Rule 15c2-12, hereby consents to the use by the 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 Trustee. Article X of the Resolution, as it relates to the immunities and liabilities of the Trustee, is hereby made applicable to the Trustee's responsibilities under this Agreement.
ARTICLE 3

REMEDIES

Section 3.1. Remedies. (a) The Trustee may, in reliance upon the advice of counsel (and at the request of the Holders of at least twenty-five percent (25%) in aggregate principal amount of the Bonds outstanding, after the provision of indemnity in accordance with Section 10.05 of the Resolution, shall), or any Bondholder may, for the equal benefit and protection of all Bondholders similarly situated, take whatever action at law or in equity against the 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 Trustee or any Bondholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Bondholder, as the case may be, then and in every such case the Trust, the Trustee and any Bondholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Trust, the Trustee 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 Trustee and the Master Program Trustee for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2. 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 Trustee, 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 Trustee and the Master Program Trustee, and any member, officer, official, employee, counsel, consultant and agent of the Trustee and the Master Program Trustee (collectively, the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by the 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 Trustee) addressed to, in the case of the Trust, P.O. Box 440, Trenton, New Jersey 08625 (Attention: Executive Director); in the case of the Trustee, its Corporate Trust Department at 21 South Street, 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 Trustee and the Master Program Trustee at any time and from time to time may enter into any amendments or modifications to this Agreement for any of the following purposes:

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

Section 4.11. Governing Law. This Agreement shall be governed exclusively by and
construed in accordance with the laws of the State and the laws of the United States of America,
as applicable.
Section 4.12. Commencement and Termination of Continuing Disclosure Obligations. The obligations of the Trust and the Trustee hereunder and the consent of the Master Program Trustee set forth in Section 2.6 hereof shall be in full force and effect from the date of issuance of the Bonds, and shall continue in effect until the date either (i) the Bonds are no longer outstanding in accordance with the terms of the Resolution or (ii) the Program no longer remains a material "obligated person" (as the term "obligated person" is defined in Rule 15c2-12) as a result of an interpretation of Rule 15c2-12, and in either event only after the 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. Other than as disclosed in the Official Statement, 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 Trustee and the Master Program Trustee and their respective successors and assigns.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, [TRUSTEE] and U.S. BANK TRUST NATIONAL ASSOCIATION, a national banking association, have caused this Agreement to be executed in their respective names, all as of the date first above written.

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

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

[TRUSTEE],
as Trustee

By: ____________________________
    Vice President

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

By: ____________________________
    Name:
    Title:
EXHIBIT A

OBJECTIVE CRITERIA AS SET FORTH IN THE FINAL OFFICIAL STATEMENT

SECONDARY MARKET DISCLOSURE

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

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

Each Borrower has covenanted in its Trust Loan Agreement, for the benefit of the respective Bondholders, to enter into a Borrower Continuing Disclosure Agreement (the “Borrower Continuing Disclosure Agreement”) should it meet, at any time during the term of its respective Trust Loan, the material “obligated persons” test referred to above. Such Borrower Continuing Disclosure Agreement obligates any such Borrower to provide (i) certain financial information and operating data relating to such Borrower and the Participants and Indirect Participants, if any, of such Borrower, including, without limitation, audited financial statements, within 225 days after the end of each fiscal year for which any such Borrower Continuing Disclosure Agreement is in effect (the “Annual Report”), and (ii) notice to the Trust of the occurrence of certain enumerated events, if material. The specific nature of the information to be contained in the Annual Report and the notices of material events is summarized in Appendix F to the Final Official Statement – “SUMMARY OF THE SERIES 20__ TRUST LOAN AGREEMENTS (INCLUDING THE CONTINUING DISCLOSURE AGREEMENTS FOR THE SERIES 20__ BORROWERS), THE SERIES 20__ FUND LOAN AGREEMENTS AND THE OTHER COVERAGE PROVIDING FUND LOAN AGREEMENTS.”

The Borrower Continuing Disclosure Agreement further requires that the Annual Report shall be delivered by or on behalf of such Borrower to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC (each a “NRMSIR”) and to the State Information Depository recognized by the SEC (the “SID”), if any. Notices of material events
relating to the Trust Loan Bonds of such Borrower will be filed by such Borrower with the Trust, and the notices of material events relating to the Series 20__ Bonds will be filed directly by the Trust with each NRMSIR or with the Municipal Securities Rulemaking Board (the “MSRB”) and the SID, if any. As of the date of this Official Statement, the filing of any information with the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB shall satisfy the requirement to file such information with each NRMSIR. The obligations under the Borrower Continuing Disclosure Agreement shall continue through final maturity (stated or otherwise) of the Bonds, but shall terminate when any such material “obligated persons” shall no longer meet the material “obligated persons” test with respect to the Bonds. The Trust shall have no liability to the Bondholders or to any other person with respect to the secondary market disclosure of any such material “obligated persons.” See Appendix F to the Final Official Statement – “SUMMARY OF THE SERIES 20__ TRUST LOAN AGREEMENTS (INCLUDING THE CONTINUING DISCLOSURE AGREEMENTS FOR THE SERIES 20__ BORROWERS), THE SERIES 20__ FUND LOAN AGREEMENTS AND THE OTHER COVERAGE PROVIDING FUND LOAN AGREEMENTS”.

In light of the additional security provided for each series of the Bonds as a Coverage Receiving Financing Program (along with the current and all future Coverage Receiving Financing Programs) through certain Fund Loan repayments in Coverage Providing Financing Programs, the Trust has determined that only the Borrowers, Participants and Indirect Participants identified in the immediately succeeding paragraph (if any) will be considered material “obligated persons” within the meaning and for the purposes of Rule 15c2-12 for the Bonds. With respect to all other Borrowers, Participants and Indirect Participants, the Trust has determined that no financial or operating data is material to any decision to purchase, hold or sell the Bonds, and the Trust will not itself provide or cause any such Borrowers, Participants and Indirect Participants to provide any such information with respect to any such Borrowers, Participants and Indirect Participants.

As of the date of issuance of the Bonds, there are no Borrowers that meet this material “obligated persons” test for the Bonds. In addition, as of such issuance, no Participants or Indirect Participants meet this test with respect to the Bonds.

Based upon official interpretations of Rule 15c2-12, the Trust has determined that, in connection with the Bonds, the Series 20__ Financing Program relating to the Bonds is an “obligated person”, as defined in Rule 15c2-12. In addition, on the date of delivery of the Bonds, the Trust will enter into a Trust Continuing Disclosure Agreement (the “Trust Continuing Disclosure Agreement”; the Borrower Continuing Disclosure Agreement and the Trust Continuing Disclosure Agreement shall be referred to collectively herein as the “Continuing Disclosure Agreements”), for the benefit of the beneficial owners of the Bonds, pursuant to which the Trust will agree to comply on a continual basis with the disclosure requirements of Rule 15c2-12 relating to the Bonds. Specifically, the Trust will covenant to provide certain financial information relating to the Series 20__ Financing Program relating to the Bonds, which financial information will be similar to that provided herein in Note 7 to Appendix A to the Final Official Statement, relating to each existing and future Coverage Providing Financing Program (the “Financing Program Annual Report”) to each NRMSIR and the SID, if any. In addition, the Trust will covenant to provide notices of the occurrence of certain enumerated events, if material, relating to the Bonds to each NRMSIR or to the MSRB and the SID, if any. As of the
date of this Official Statement, the filing of any information with the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB shall satisfy the requirement to file such information with each NRMSIR. The specific nature of the information to be contained in the Annual Report and the notices of material events is summarized in Appendix E to the Final Official Statement – “SUMMARY OF THE SERIES 20__ BOND RESOLUTIONS, THE MASTER PROGRAM TRUST AGREEMENT AND THE TRUST CONTINUING DISCLOSURE AGREEMENT.”

The sole and exclusive remedy for breach of or default under the Continuing Disclosure Agreements to provide continuing disclosure as described above is an action to compel specific performance of the Continuing Disclosure Agreements by the parties thereto, and no person, including any holder of the Bonds, may recover monetary damages thereunder under any circumstances. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Agreements, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, shall no longer be required to be provided. The Continuing Disclosure Agreements also may be amended or modified without the consent of the holders of the Bonds under certain circumstances set forth therein. Copies of the Continuing Disclosure Agreements when executed by the parties thereto upon the delivery of the Bonds will be on file at the office of the Trustee.
EXHIBIT B

FORM OF NOTICE TO REPOSITORIES OF
FAILURE TO FILE ANNUAL REPORT

Name Reporting Party: New Jersey Environmental Infrastructure Trust

Name of Bond Issue: New Jersey Environmental Infrastructure Trust "[Bonds]" dated [date]

Date of Issuance: [date]

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 as of [date] by and among the Trust, [Trustee], as Trustee, and U.S. Bank Trust National Association, a national banking association, as Master Program Trustee. [The Trust has advised the Trustee that it anticipates that the Annual Report will be filed by ___________.]

____________________,

as Trustee

By: ________________________

Name: ______________________

Title: ______________________

Dated: _____________________
RESOLUTION NO. 16 - 14

RESOLUTION CERTIFYING PROJECTS FOR THE STATE FISCAL YEAR 2016
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM

WHEREAS, pursuant to Sections 5(m) and 9(a) of the New Jersey Environmental Infrastructure Trust Act (N.J.S.A. 58:11B-1 et seq.) (the "Act"), the New Jersey Environmental Infrastructure Trust (the "Trust") is authorized to make and contract to make loans to local government units or public water facilities (the "Borrowers") to finance a portion of the cost of environmental infrastructure projects which they may lawfully undertake or acquire and for which they are authorized by law to borrow funds; and

WHEREAS, the Borrowers having projects listed in P.L. 2015, c.107 and in the Trust's Financial Plan submitted to the Legislature in May of 2015 pursuant to N.J.S.A. 58:11B-21 submitted applications to the Trust for Trust loans under the State Fiscal Year (SFY) 2016 Environmental Infrastructure Financing Program (as described in the Trust's Financial Plan) to finance a portion of the allowable costs of their environmental infrastructure projects; and

WHEREAS, the Legislature has authorized in P.L. 2015, c.107 the expenditure of Trust funds to finance a portion of the allowable costs of the projects of certain Borrowers designated in Sections 2 and 4 of this legislation (constituting the "SFY2016 Project Priority List"); and

WHEREAS, representatives of the Department of Environmental Protection (DEP) and the staff of the Trust have reviewed and evaluated these applications in accordance with the provisions of N.J.A.C. 7:22-4.13 and 4.46, advised the Trust which of these applications may be deemed complete, made recommendations to the Trust which applications may be approved or conditionally approved for Trust Loans, and determined the amounts presently constituting the allowable costs which may be financed with Trust loans; and

WHEREAS, the Trust has received DEP certifications that certain projects are in conformity with P.L. 1985, c.329 the Wastewater Treatment Bond Act of 1985; P.L. 1992, c.88, N.J.S.A. 58:12A-1 et seq. the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992; P.L. 2003, c.162 the Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003; N.J.S.A. 58:12A-2 Et. Seq., and/or P.L. 1981, c.261 the Water Supply Bond Act of 1981 and any rules and regulations adopted pursuant thereto; and with respect to certain other projects, certification conditioned upon such projects satisfying certain contingencies required by the DEP pursuant to its regulations.

NOW THEREFORE BE IT RESOLVED, the Trust Board of Directors hereby approves the project applications set forth in Appendix A for Trust loans under the SFY2016 Environmental Infrastructure Financing Program, subject to certification of the corresponding projects by the Chairman or Vice Chairman of the Trust pursuant to the provisions of P.L. 2015, c.107, Section 6 as being in conformity with the provisions of the Act and rules and regulations adopted pursuant thereto.

Adopted Date: April 14, 2016
Motion Made By: Michael Griffin
Motion Seconded By: Mark Longo
Ayes: 5
Nays: 0
Abstentions: 0
### New Jersey Environmental Infrastructure Trust

#### SFY2016 Financing Program

#### Preliminary Borrower Credit Review

**Agenda Item 8E**

REVISED

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RESOLUTION No. 16 - 15

RESOLUTION OF THE TRUST APPOINTING A FINANCIAL ADVISOR
FOR FY2017 AND FY2018 FINANCING PROGRAMS

WHEREAS, the New Jersey Environmental Infrastructure Trust (Trust) authorized solicitation of proposals for Financial Advisor Services in Resolution No. 16-04 pursuant to Executive Order No. 26 (Whitman) and N.J.S.A. 58:11B-5(i); and

WHEREAS, The Trust received four (4) proposals that were separately reviewed and ranked by members of an evaluation committee (Committee) comprised of three Trust staff members; and

WHEREAS, the Committee members’ ranks were tabulated and Public Financial Management, Inc. (PFM) was found to be the highest ranked firm; and

WHEREAS, the Committee recommends that PFM be appointed as the Trust’s financial advisor.

WHEREAS, the Trust deems the services of a Financial Advisor to be critical to the public financing activities of the Trust.

NOW THEREFORE BE IT RESOLVED, the Executive Director send a letter to PFM expressing the Trust’s intent to appoint it as the Trust’s financial advisor, which letter shall also state that the appointment be for the period of July 1, 2016 through June 30, 2018; with an option to extend one-year upon approval by the Board and contingent upon the subsequent execution by all parties of an agreement substantially in the form of the agreement authorized by the Attorney General; and

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

a. The provision of services as outlined in the Trust's RFP distributed on February 2, 2016, the proposal submitted by PFM, dated February 26, 2016 and the Best and Final Offer submitted March 29, 2016; and

b. The payment for all services as detailed in the proposal submitted by PFM dated February 26, 2016 and the PFM Best and Final Offer dated March 29, 2016; and

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

Adopted Date: April 14, 2016

Motion Made By: Mark Longo

Motion Seconded By: Dan Kennedy

Ayes: 5

Nays: 0

Abstentions: 0
RESOLUTION No. 16 - 16

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING (I) THE SUBSTITUTION BY THE PASSAIC VALLEY SEWERAGE COMMISSION OF CERTAIN JUNIOR LIEN BONDS FOR CERTAIN BONDS PREVIOUSLY ISSUED TO THE TRUST AND (II) THE EXECUTION AND DELIVERY OF AMENDMENTS TO CERTAIN LOAN AGREEMENTS BY AND BETWEEN THE TRUST AND THE PASSAIC VALLEY SEWERAGE COMMISSION

WHEREAS, the New Jersey Environmental Infrastructure Trust (the “Trust”), a public body corporate and politic duly created and existing pursuant to the New Jersey Environmental Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”), as amended and supplemented (the “Act”), is authorized, pursuant to Sections 5(m) and 9(a) of the Act, to make and contract to make loans pursuant to loan agreements with local government units and public water utilities (each a “Local Unit”) to finance a portion of the cost of environmental infrastructure system projects that Local Units may lawfully undertake or acquire and for which they are authorized by law to borrow funds; and

WHEREAS, the Trust and the Passaic Valley Sewerage Commission (the “PVSC”), a public body corporate and politic and instrumentality of the State duly created and existing pursuant to Chapter 14 of Title 58 of the Revised Statutes of the State, and the acts amendatory thereof and supplemental thereto (codified at N.J.S.A. 58:14-1 et seq.), have entered into two Loan Agreements, each dated as of May 1, 2014 (collectively, the “2014 Loan Agreements”), pursuant to the terms of each of which the Trust has made a loan to the PVSC (each a “Loan”) to finance a portion of each Project as defined and described in each respective 2014 Loan Agreement; and

WHEREAS, the PVSC issued (i) its $290,000 aggregate principal amount of Sewer System Bonds (Series I-2014-2) and (ii) its $6,545,000 aggregate principal amount of Sewer System Bonds (Series I-2014-4) (collectively, the “PVSC Senior Lien Bonds”) to the Trust, as holder thereof, to evidence and secure the repayment obligation of the PVSC to the Trust with respect to each respective Loan, such PVSC Senior Lien Bonds having been issued as senior lien bonds pursuant to a resolution adopted by the PVSC on May 20, 1971, entitled “Resolution Providing for the Issuance of Bonds of Passaic Valley Sewerage Commissioners and for the Rights of the Holders Thereof, and Authorizing $23,700,000 Principal Amount Thereof,” as thereafter amended and supplemented from time to time (the “PVSC Senior Lien Bond Resolution”); and

WHEREAS, the PVSC Senior Lien Bond Resolution requires that the PVSC establish and maintain a debt service reserve fund to secure its senior lien bonds issued pursuant to the terms thereof, including, without limitation, the PVSC Senior Lien Bonds; and

WHEREAS, pursuant to and in satisfaction of the requirements of the PVSC Senior Lien Bond Resolution, the PVSC currently maintains debt service reserve funds with respect to, and as security for, the PVSC Senior Lien Bonds (the “Debt Service Reserve Funds”); and

WHEREAS, pursuant to that certain “Credit Policy” of the Trust, heretofore adopted by the Trust and as revised through January 2015 (the “Credit Policy”), the Trust permits Local Units that do not possess direct general obligation taxing power (each an “Authority Borrower”) to issue junior lien bonds to the Trust as security for loans made by the Trust to such Authority Borrowers, provided that the Authority Borrower complies with certain conditions set forth in the Credit Policy (collectively, the “Credit Policy Conditions Precedent”), including, without limitation: (i) compliance by such Authority Borrower with the Credit Eligibility Requirements as defined in the Credit Policy; (ii) compliance by such Authority Borrower with the requirement that it be a party to a service agreement that is secured by the full faith and credit
of one or more municipal participants that possess and pledge their general obligation taxing power to secure their payment obligations pursuant to the terms and provisions of such service agreement; and (iii) a contractual obligation set forth in the indenture of trust or bond resolution of such Authority Borrower that obligates it to raise the rates it charges its service customers by an amount at least equivalent to pay all outstanding debt service (including debt service with respect to the bonds that it proposes to issue to the Trust), operation and maintenance charges, and, further, to pay any other expenses necessary to operate the Authority Borrower in compliance with applicable laws and regulations; and

WHEREAS, with respect to the issuance by the PVSC of the PVSC Senior Lien Bonds in connection with the Loans, the PVSC, as an Authority Borrower, was unable to avail itself of the junior lien bond policy of the Trust and, specifically, was unable to comply with the terms and provisions of the Credit Policy as it relates to junior lien bonds issued by Authority Borrowers; and

WHEREAS, at this time, the PVSC has determined that (i) it able to avail itself of the junior lien bond policy of the Trust and, specifically, is able to comply with the terms and provisions of the Credit Policy as it relates to junior lien bonds issued by Authority Borrowers, and (ii) the maintenance of the Debt Service Reserve Funds with respect to, and as security for, the PVSC Senior Lien Bonds creates a financial hardship for the PVSC; and

WHEREAS, the PVSC now desires to substitute for the PVSC Senior Lien Bonds new, junior lien bonds (the “PVSC Junior Lien Bonds”) that shall be junior to its bonds issued pursuant to the PVSC Senior Lien Bond Resolution (i) in priority of payment and (ii) in that they shall not be secured by the Debt Service Reserve Funds, provided, however, that (i) the PVSC Junior Lien Bonds to be issues by the PVSC shall otherwise be consistent with each of the terms and provisions of the respective PVSC Senior Lien Bonds to be replaced thereby and (ii) the PVSC, in issuing its PVSC Junior Lien Bonds in substitution for the PVSC Senior Lien Bonds, shall satisfy each of the Credit Policy Conditions Precedent, including, without limitation, the provision of security for the PVSC Junior Lien Bonds; and

WHEREAS, on January 21, 2016, the PVSC adopted its “Supplemental Resolution No. 15 Relating to the Subordinate Bond Resolution Authorizing the Issuance of $30,000,000 Subordinate Sewer System Bonds Pursuant Thereto Through the New Jersey Environmental Infrastructure Financing Program”, authorizing the issuance by the PVSC of the PVSC Junior Lien Bonds to the Trust to evidence and secure the repayment obligations of the PVSC to the Trust with respect to the Loans; and

WHEREAS, the PVSC has requested that the Trust enter into an amendment to each Loan Agreement, in accordance with the amendment provisions thereof, in order to effectuate the substitution of the PVSC Junior Lien Bonds for the PVSC Senior Lien Bonds; and

WHEREAS, it is the desire of the Trust to (i) accept the substitution of the PVSC Junior Lien Bonds for the PVSC Senior Lien Bonds, provided that the PVSC shall satisfy each of the Credit Policy Conditions Precedent, including, without limitation, the provision of security for the PVSC Junior Lien Bonds, and (ii) effectuate such substitution by entering into an amendment to each Loan Agreement, in accordance with the amendment provisions thereof.

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

Section 1. The Board hereby accepts and agrees to the substitution of the PVSC Junior Lien Bonds for the PVSC Senior Lien Bonds, provided that (i) the PVSC Junior Lien Bonds shall reflect each of
the terms and provisions of the respective PVSC Senior Lien Bonds to be replaced thereby, except (1) the PVSC Junior Lien Bonds shall be junior in priority of payment to the senior lien bonds issued by the PVSC pursuant to the PVSC Senior Lien Bond Resolution, and (2) the PVSC Junior Lien Bonds shall not be secured by the Debt Service Reserve Funds, and (ii) the PVSC, in issuing its PVSC Junior Lien Bonds in substitution for the PVSC Senior Lien Bonds, shall satisfy each of the Credit Policy Conditions Precedent, including, without limitation, the provision of security for the PVSC Junior Lien Bonds.

Section 2. The Board hereby authorizes an amendment to each Loan Agreement (each an “Amendment to Loan Agreement” and, collectively, the “Amendments to Loan Agreement”), in such form as the Executive Director of the Trust, in his sole discretion after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, determines to be necessary, desirable or convenient to effect the transactions contemplated hereby, which determination thereof shall be dispositively evidenced by delivery by the Executive Director of each Amendment to Loan Agreement.

Section 3. The Chairman, the Vice Chairman and the Executive Director of the Trust (each an “Authorized Officer”) are hereby authorized and directed to execute each Amendment to Loan Agreement, and any certificates, instruments or documents contemplated therein or related thereto.

Section 4. Upon execution of each Amendment to Loan Agreement by the Authorized Officer, the Secretary and the Assistant Secretary of the Trust are hereby authorized and directed, where required, to affix the corporate seal of the Trust and to attest to the signature of such Authorized Officer thereon, and on any certificates, instruments or documents contemplated therein.

Section 5. The Executive Director and any other Authorized Officer are hereby authorized and directed to (i) execute such other certificates, instruments or other documents, in such form and with such terms and conditions as the Executive Director, or any other Authorized Officer, after consultation with Bond Counsel to the Trust and the Chairman or Vice Chairman, determines to be in the best interests of the Trust, and (ii) take such other actions as the Executive Director, or any other Authorized Officer, in their respective sole discretion after consultation with the Bond Counsel to the Trust and the Chairman or Vice Chairman, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

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

Adopted Date: April 14, 2016

Motion Made By: Mark Longo

Motion Seconded By: James Requa

Ayes: 5

Nays: 0

Abstentions: 0
SUMMARY OF ANNOUNCEMENTS:

Executive Director Zimmer summarized the substantive events and correspondence issued since the last Trust Board meeting.

- On April 13, 2016, Executive Director Zimmer and Assistant Director Scangarella met with the Executive Director and Director of Development of the Jersey City Redevelopment Authority to discuss financing for a pending Redevelopment project.
- On April 12, 2016, Executive Director Zimmer and Chief Financial Officer, Lauren Kaltman and members of PFM’s financial team met in New York City with representatives from Fitch Ratings, Moody’s Investor Services and S&P Ratings regarding the Trust’s 3 upcoming bond issues.
- On April 7, 2016, Assistant Director Scangarella and DEP Senior Staff met with the Trust’s prequalified Engineering firms to discuss Engineering Services for developing guidelines for Green Infrastructure projects.
- On April 4, 2016, Executive Director Zimmer and DEP Senior Staff participated on a conference call with Bergen County Utilities Authority’s Executive Director Robert Laux and members of his staff and legal counsel to discuss financing options for BCUA’s CHP Cogeneration project.
- On March 30, 2016, Executive Director Zimmer, Assistant Director Scangarella, and Legal Advisor, Karp met with DEP, the Governor’s office, and legislative staff to discuss annual legislation.
- On March 21 – March 23, 2016, Executive Director Zimmer and Assistant Director Scangarella, participated in CIFA’s (the Council of Infrastructure Financing Authorities) annual conference in Washington, DC alongside representatives from the EPA, and several other SRF state financing organizations including NJ’s DEP.
- Trust senior staff continues to meet with consultants from CohnReznick to finalize the Policy & Procedure reviews of the Trust’s major business functions. This phase of the internal controls audit is anticipated to be completed by the end of January 2016 at which point, the Trust and CohnReznick will begin testing.
- Trust senior staff participated in the following client project pre-planning meetings or conference calls to discuss program funding issues:
  - Hoboken – Redevelopment Project – SFY2015 Financing Program
  - East Orange Water Commission
  - City of Elizabeth – P&D Loan status
  - Perth Amboy – CSO abatement projects
  - City of Newark – Upcoming Green projects
  - Milltown – Project Financing
- H2LOans computer system meetings continue between the Trust and DEP technology and process staffs.
- Importantly, there is a special Board meeting scheduled for April 28, 2016 at 10:00 a.m. at the Trust’s offices.
SUMMARY OF CORRESPONDENCE:

During the past month, the Trust received or sent the following noteworthy correspondence. Pursuant to the Trust’s Green Initiative, the agenda package does not include copies of the following correspondence. Board members should contact the Trust Secretary if they wish to receive hard copies.

- 5.02 Certificates were sent to the following Program borrowers:
  
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<td>Jersey City MUA</td>
<td>S340928-06-1</td>
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<td>2013A</td>
<td>Ocean Twp.</td>
<td>W1520001-004</td>
</tr>
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</table>

A copy of the announcements are available on the Trust’s webpage (https://www.njeit.org) under the recent Board meeting documents section, the announcements will be at the end of the Minutes for each meeting.
RESOLUTION NO. 16 -

RESOLUTION AUTHORIZING APPROVAL OF THE
MARCH 2016 TREASURER’S REPORT

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") has reviewed the Treasurer’s Report for March 2016; and

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

NOW THEREFORE BE IT RESOLVED, that the Trust hereby accepts the Treasurer’s Report for March 2016 request that the same be entered into the record.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
RESOLUTION NO. 16 -


BE IT RESOLVED, that in connection with the sale on May 10, 2016 of the Series 2016A-1, Series 2016A-R1, and Series 2016A-R2, the New Jersey Environmental Infrastructure Trust (the "Trust") hereby acknowledges receipt of the Executive Director’s Report and ratifies all actions taken which include copies of the following:

- Series 2016A-1 Notice of Sale and Summary Notice of Sale
- Series 2016A-1 Official Statement
- Series 2016A-1 Bond bid

- Series 2016A-R1 and Series 2016A-R2 Notice of Sale and Summary Notice of Sale
- Series 2016A-R1 and Series 2016A-R2 Official Statement
- Series 2016A-R1 Bond bid
- Series 2016A-R2 Bond bid

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
RESOLUTION NO. 16 –

RESOLUTION OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AUTHORIZING THE STATE FISCAL YEAR 2016 NANO INFRASTRUCTURE LOAN PROGRAM

WHEREAS, pursuant to (i) Section 5(m) and Section 9(a) of the New Jersey Environmental Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”), as amended and supplemented (N.J.S.A. 58:11B-1 et seq.) (the “Act”), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 et seq.), as the same have been, and in the future may from time to time be, amended and supplemented (the “Regulations”), the New Jersey Environmental Infrastructure Trust (the “Trust”), a public body corporate and politic under the laws of the State created pursuant to the Act, is authorized to make and contract to make loans (each, a “Trust Loan”) to project sponsors (each, a “Project Sponsor”) to finance a portion of the costs of the respective environmental infrastructure system projects thereof (each, a “Project”), which Project Sponsors may lawfully undertake or acquire and for which they are authorized by law to borrow funds, subject to such terms and conditions as the Trust shall determine to be consistent with the Act and the purposes of the Trust; and

WHEREAS, the NJEIT has partnered with the New Jersey Department of Environmental Protection (the “NJDEP”) to make loans to Project Sponsors for the financing of water supply projects pursuant to the New Jersey Environmental Infrastructure Financing Program (the “NJEIFP” or the “Financing Program”); and

WHEREAS, specifically, the Trust and the State, acting by and through the NJDEP, make loans pursuant to the NJEIFP to finance improvements to water supply systems serving populations of 10,000 or fewer (“Small Water Systems”), which loans are extended primarily to Project Sponsors consisting of small water companies; and

WHEREAS, Small Water Systems generally possess limited financial and professional resources and, therefore, generally require a significantly greater commitment by the Financing Program in order to evaluate such Small Water Systems and the Projects thereof, and to ensure that such Small Water Systems satisfy the conditions precedent to participation in the Financing Program, including, without limitation, creditworthiness standards of the Financing Program; and

WHEREAS, notwithstanding the challenges for the Financing Program in assessing the credit risk associated with Small Water System loans, the NJDEP has concluded that continued NJEIFP loans to Small Water Systems to finance drinking water improvements are necessary and appropriate to address important public health issues for the affected communities; and

WHEREAS, the Board of Directors of the Trust (the “Board”) desires to establish the Small System Loan Program also known as the Nano Infrastructure Loan Program, (the “SSLP” or “Nano program”), for State Fiscal Year 2016 (“SFY2016”) to serve as the funding mechanism for
improvements to Small Water Systems while also addressing the credit risks posed by such Financing Program applicants.

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

Section 1. The Board hereby authorizes the establishment of the SFY2016 SSLP, provided that each of the following SSLP requirements is satisfied in full:

(a) SSLP loans made to qualifying Project Sponsors by the Trust and the NJDEP during SFY 2016 pursuant to the SSLP shall not exceed $4,000,000 in aggregate principal amount. In the event that less than $4,000,000 in aggregate principal amount of SSLP Loans are made in SFY 2016, any remaining SSLP funds not utilized in SFY2016 may be used by the Trust for the financing of other programs within the NJEIFP during SFY2016;

(b) other than as set forth in paragraph (c) below, each SSLP loan shall consist of the following components: (i) an NJDEP principal forgiveness loan in the amount of fifty percent (50%) of the allowable costs of the applicable Project, (ii) an NJDEP zero interest loan in the amount of twenty-five percent (25%) of the allowable costs of the applicable Project, and (iii) a Trust Loan in the amount sufficient to finance twenty-five percent (25%) of the allowable costs of the applicable Project (the “Trust Loan Component”);

(c) SSLP Loans in an amount not to exceed $500,000 (which amount shall be a portion of the total SSLP authorized amount of $4,000,000 set forth in paragraph (a) above), may be made to Small Water Systems serving populations of 500 or fewer (“Very Small Water Systems”), and shall consist of an NJDEP principal forgiveness loan in the amount of one hundred percent (100%) of the allowable costs of the applicable Project;

(c) the Trust Loan Component of all SSLP loans made to qualifying Project Sponsors by the Trust during SFY2016 pursuant to the SSLP shall not exceed $1,000,000 in aggregate principal amount;

(d) the total of all SSLP loans for any given qualifying Project Sponsor for SFY2016 shall be no greater than $1,000,000 and, other than with respect to a Project Sponsor that is a very Small Water System, no less than $100,000 in aggregate principal amount, and the allowable costs of any Project that is financed through the SSLP that are in excess of $1,000,000 shall be financed through the Financing Program in such matter as may be determined by an Authorized Officer (as hereinafter defined);

(e) the source of funds for the Trust Loan Component of all SSLP loans made by the Trust during SFY2016 pursuant to the SSLP shall consist of one or both of (i) operating funds of the Trust that are not required for, or committed to, the operations of the Trust for State Fiscal Years 2016 and 2017 (“Available Funds”), and/or (ii) bonds to be issued by the Trust (“Trust Bonds”); provided, however, that the Trust may, in the future, issue Trust Bonds for the purpose of replacing the Available Funds used to finance the Trust Loan
Component of SSLP loans made by the Trust during SFY2016, which Trust Bonds shall be issued pursuant to a bond resolution to be adopted by the Board prior to the issuance thereof;

(f) unless otherwise authorized or directed by the Board, the Trust Loan Component of each SSLP Loan shall bear interest at a rate per annum equal to the rate of the bonds issued by the Trust or as calculated pursuant to the “Interest Rate Calculation”, as set forth in that certain Resolution adopted by the Trust on February 9, 2012 and entitled “Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Relating to the Direct Loan Program and Certain Policies Regarding the Administration Thereof and the Granting of Direct Loans”;

(g) the Chairman, Vice Chairman and Executive Director of the Trust (each, an “Authorized Officer”) are each hereby authorized, at their respective discretion, (i) after consultation with Bond Counsel to the Trust, the Office of the Attorney General of the State and the Financial Advisor to the Trust, and (ii) if and to the extent that a credit assessment of the Project Sponsor in question so warrants, to require a Project Sponsor to establish a loan guarantee fund (the “Guarantee Fund”), in addition to the LLR Fund (as defined in and to the extent required by Section 4 hereof), in the event that (A) the principal amount of the SSLP loan for which such Project Sponsor currently is applying, together with (B) the aggregate principal amount of all other SSLP loans of such Project Sponsor then outstanding, exceed $1,000,000 in aggregate principal amount, which Guarantee Fund shall serve as additional collateral for the repayment of the Trust Loan Component of each of the outstanding SSLP loans of such Project Sponsor; to the extent required by an Authorized Officer pursuant to the terms hereof, the Guarantee Fund shall be established in an amount deemed appropriate thereby, but shall not exceed maximum annual debt service for the aggregate then-outstanding principal amount of the Trust Loan Components of the SSLP loans of such Project Sponsor, multiplied by 2;

(h) any applicant with respect to the SSLP (in addition to satisfying all other SFY2016 NJEIFP loan conditions) shall demonstrate that its Small Water System is (and shall continue to be) managed in a professional manner that is consistent with the Federal Fiscal Year 2016 Drinking Water Intended Use Plan;

(i) SSLP loan recipients shall not be subject to the imposition by the NJDEP of an administrative fee; and

(j) SSLP loan recipients shall not be subject to the imposition by the Trust of an administrative fee to cover any portion of the financing costs of the SSLP loan, but (i) shall be subject to an annual Trust administrative fee for loan servicing in the annual amount of 0.15% of the original principal amount of the combined Trust Loan and Fund Loan components, and (ii) shall be assessed the annual fee required in connection with the LLR Fund, as defined in and to the extent required by Section 4 hereof.
Except as otherwise provided by this Resolution, as a condition precedent to the receipt by an applicant of an SSLP loan, such applicant shall comply fully with each eligibility requirement that shall apply to any applicant for participation in the SFY2016 NJEIFP.

Section 2. Any SFY2016 SSLP loan made by the Trust shall be evidenced by the following:

(a) a bond, note or other appropriate obligation of the Project Sponsor to be issued to the Trust (the “Obligation”), with the following covenants (in addition to other SFY2016 NJEIFP loan covenants): (i) a municipality shall provide to the Trust a general obligation (“GO”) pledge of the unlimited ad valorem taxing power thereof; (ii) an authority that has entered into a service agreement containing one or more GO pledges from its municipal or county participants shall pledge to the Trust its right to receive payments pursuant to such service agreement; (iii) each authority shall provide to the Trust a pledge of its revenues and shall be subject to the various covenants and requirements of its general indenture or resolution, as applicable; (iv) a water company shall provide to the Trust a pledge of its revenues and shall be subject to the various covenants and requirements of its general indenture or resolution, including, without limitation, its obligation to raise and collect annual fees and charges to the extent necessary to cover all operating, capital and debt service expenses in order to manage and operate its water supply system in good working condition;

(b) any other documentation as shall be deemed necessary and appropriate by the Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State (collectively, the requirements of (a) and (b) of this Section 3 shall be referred to herein as the “Loan Instruments”).

Each Obligation and all other Loan Instruments shall be in such form as shall be approved by an Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State. The Loan Instruments shall include such terms and provisions relating to the SFY2016 NJEIFP as shall be determined by the Authorized Officer, after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, as being necessary in connection with (i) the satisfaction of the requirements of the Act and the Regulations and (ii) the implementation of the terms of this Resolution.

Section 3. Each SSLP loan recipient that does not provide as security for its Obligation a direct or indirect municipal or county GO pledge shall be assessed an annual loan loss reserve fee consisting of 1% of the total outstanding principal amount of the Trust Loan Component of such recipient’s SSLP loan as of the given calculation date. This fee shall be non-refundable and shall be deposited by the Trust upon receipt thereof into a loan loss reserve fund (“LLR Fund”) that shall be established and held by the Trust or a fiduciary thereof. All monies deposited into the LLR Fund shall be applied by the Trust solely to provide additional security for SSLP loans. In addition, the Trust is hereby authorized and directed to accept any supplement to the LLR Fund that shall be paid by the NJDEP, initially from loan repayments of its Drinking Water annual capitalization grants, which supplement shall be in such amount as shall be necessary to secure any and all default risks
with respect to the SSLP loans, as such default risks are assessed and determined by an Authorized Officer, after consultation with Bond Counsel to the Trust, the Office of the Attorney General of the State and the Financial Advisor to the Trust. To the extent that, at any time, the amount on deposit in the LLR Fund, inclusive of any NJDEP contribution thereto, exceeds total outstanding SSLP loan amounts, the NJDEP contribution to the LLR Fund in an amount equal to the excess outstanding SSLP loan amount may, at the discretion of an Authorized Officer, be withdrawn from the LLR Fund and repaid to the NJDEP.

Section 5. The Authorized Officers are hereby severally authorized and directed to execute (i) any Loan Instrument to which the Trust is a party (the “Trust Loan Instruments”) and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the participation of any Project Sponsor in the SFY2016 SSLP.

Section 6. Upon execution of the Trust Loan Instruments by an Authorized Officer, the Secretary and the Assistant Secretary of the Trust are each hereby severally authorized and directed, where required, to affix the corporate seal of the Trust, and to attest to the signature of such Authorized Officer, thereon and on any certificates, instruments or documents contemplated therein or related thereto.

Section 7. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his respective sole discretion after consultation with Bond Counsel to the Trust and the Office of the Attorney General of the State, deems necessary, convenient or desirable in order to effect the establishment of the SFY2016 SSLP and the transactions contemplated hereby.

Section 8. The SSLP shall fully comply with the provisions of the Act, the Regulations applicable thereto and the terms of this Resolution.

Section 9. This Resolution shall become effective in accordance with the terms of Section 4(i) of the Act (N.J.S.A. 58:11B-4(i)).
RESOLUTION NO. 16 -

ACCEPTANCE AND APPROVAL OF THE SFY2017 OPERATING BUDGET

WHEREAS, the New Jersey Environmental Infrastructure Trust (the “Trust”) must secure legislative approval of its annual Financial Plan (Financial Plan” or “May Report”) pursuant to N.J.S.A. 58:11B-21 and 21.1; and

WHEREAS, the May Report must include, among other things, a copy of the Trust’s approved operating budget; and

WHEREAS, the Trust desires to approve its State Fiscal Year (“SFY”) 2017 Operating Budget for inclusion in the State Fiscal Year Financial Plan.

NOW THEREFORE BE IT RESOLVED, after due consideration of all of the items set forth herein the Trust hereby adopts the attached SFY2017 Operating Budget.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
RESOLUTION NO. 16 -

RESOLUTION APPROVING
THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
SFY2017 AND SUPERSTORM SANDY FINANCIAL PLAN AND
DISASTER RELIEF EMERGENCY FINANCING PROGRAM PROJECT ELIGIBILITY LIST

WHEREAS, pursuant to N.J.S.A. 58:11B-21 and 21.1, the New Jersey Environmental Infrastructure Trust (the “Trust”) is required to submit to the Legislature on or before May 15, 2016, a financial plan designed to implement the financing of the projects to be approved pursuant to N.J.S.A. 58:11B-20 “Financial Plan”;

WHEREAS, the Financial Plan shall contain an enumeration of the bonds which the Trust intends to issue, including the amounts thereof and the terms and conditions thereof; a list of loans to be made to participants, including the terms and conditions thereof and the anticipated rate of interest per annum and repayment schedule therefore; an operating and financial statement covering the Trust’s proposed operations during the forthcoming fiscal year including amounts of income from all sources; the schedule of fees and charges to be charged to and collected from borrowers in connection with the Trust loans; and a summary of the status of each project for which loans have been made and a description of the major impediments to the accomplishment of the planned projects; and

WHEREAS, pursuant to N.J.S.A. 8:11B-9.5c, the New Jersey Environmental Infrastructure Trust (the “Trust”) is required to submit to the Legislature a project priority list (hereinafter referred to as the “Disaster Relief Emergency Financing Program Eligibility List”) for those projects or project sponsors eligible for a short-term or temporary loan from the Disaster Relief Emergency Financing Program Fund, at least once in each fiscal year.

NOW THEREFORE BE IT RESOLVED THAT the Trust Board of Directors hereby approves the proposed State Fiscal Year (“SFY”) 2017 and Superstorm Sandy Financial Plan substantially in the form as the Plan included in the agenda for the May 12, 2016 Trust Board meeting;

BE IT FURTHER RESOLVED THAT the Trust Board of Directors hereby approves the Disaster Relief Emergency Financing Program Eligibility List;

BE IT FURTHER RESOLVED THAT the Executive Director, in consultation with the Chairman or Vice Chairman, is hereby authorized and directed to take such other actions as are necessary or desirable to publish, file and distribute the Disaster Relief Emergency Financing Program Eligibility List; and
BE IT FURTHER RESOLVED THAT the Executive Director, in consultation with the Chairman or Vice Chairman, is hereby authorized and directed to take such other actions as are necessary or desirable to publish, file and distribute the Financial Plan, including its printing and binding.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions:
RESOLUTION NO. 16 - ___

EXECUTIVE SESSION

BE IT HEREBY RESOLVED, That pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13, the members of the New Jersey Environmental Infrastructure Trust (the "Trust") hold an executive session regarding contract negotiations, personnel matters and advice from counsel.

BE IT FURTHER RESOLVED, That it is expected that discussions undertaken at this executive session will be made public once a final position is adopted by the Trust regarding such actions.

Adopted Date:

Motion Made By:

Motion Seconded By:

Ayes:

Nays:

Abstentions: