

RESOLUTION NO. 16 - 51

SUPPLEMENTAL BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF
ENVIRONMENTAL INFRASTRUCTURE REFUNDING BONDS,
SERIES 2016A-R3 (GREEN BONDS)
(2009A FINANCING PROGRAM)
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Adopted November 10, 2016, as amended and supplemented by a
Certificate of an Authorized Officer of the Trust in accordance
with Section 6.01 hereof

Adopted Date:	November 10, 2016
Motion Made By:	Tim Cunningham
Motion Seconded By:	Dan Kennedy
Ayes:	6
Nays:	0
Abstentions:	0

**SUPPLEMENTAL BOND RESOLUTION
AUTHORIZING THE ISSUANCE OF
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OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

WHEREAS, on December 2, 2009, 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 2009A”, dated December 2, 2009, in the original aggregate principal amount of \$61,945,000 (the “Series 2009A Bonds”), in accordance with the provisions of (i) the “Environmental Infrastructure Bond Resolution, Series 2009A” of the Trust, duly adopted by the Trust on October 8, 2009 (the “Original Series 2009A Bond Resolution”), (ii) the Act and (iii) all other applicable law;

WHEREAS, the primary share of the proceeds of the Series 2009A Bonds was applied by the Trust to the making of loans (the “Series 2009A Trust Loans”) to each of the Borrowers (as hereinafter defined) to finance or refinance approximately 25% of the then-eligible costs of 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 2009A, 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 2009A Fund Loans”) to each of the Borrowers for approximately 75% 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 each Series 2009A Trust Loan was evidenced and secured by, as the case may be, a revenue bond issued by the respective authority Borrower and a private water company Borrower and a general obligation bond issued by the respective municipal Borrower (collectively, the “Series 2009A Borrower Trust Loan Bonds”), each in accordance with all applicable law;

WHEREAS, the repayment obligation with respect to each Series 2009A Fund Loan was evidenced and secured by, as the case may be, a revenue bond issued by the respective authority Borrower and a private water company Borrower and a general obligation bond issued by the respective municipal Borrower (collectively, the “Series 2009A Borrower Fund Loan Bonds”; the Series 2009A Borrower Trust Loan Bonds and the Series 2009A Borrower Fund Loan Bonds shall

be referred to collectively herein as the “Series 2009A Borrower Bonds”), each in accordance with all applicable law;

WHEREAS, the Series 2009A Bonds are principally secured by the Series 2009A Trust Loan repayment obligations of the Borrowers, as evidenced and secured by the Series 2009A Borrower Trust Loan Bonds;

WHEREAS, payment of the principal of and interest on the Series 2009A 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 a portion of the Series 2009A Bonds that currently are outstanding, through the implementation of the hereinafter defined 2016 Refunding of the Series 2009A Bonds to be Refunded (net of all costs incurred in connection therewith, the “Savings”);

WHEREAS, Section 2.04(1) of the Original Series 2009A Bond Resolution and the terms of this Series 2016A-R3 Refunding Supplemental Bond Resolution (as hereinafter defined) authorize the issuance of the hereinafter defined Series 2016A-R3 Refunding Bonds as “Refunding Bonds” to achieve the 2016 Refunding of the Series 2009A Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original Series 2009A Bond Resolution;

WHEREAS, payment of the principal of and interest on the Series 2016A-R3 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-R3 (2009A 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-R3 Refunding Supplemental Bond Resolution (the “Series 2016A-R3 Refunding Bonds”), all pursuant to the terms of (i) the Original Series 2009A Bond Resolution, as amended and supplemented by this “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R3 (2009A Financing Program) of the New Jersey Environmental Infrastructure Trust”, adopted by the Trust on November 10, 2016, as amended and supplemented by a certificate of an Authorized Officer of the Trust, dated the date of issuance of the Series 2016A-R3 Refunding Bonds (as amended and supplemented, the “Series 2016A-R3 Refunding Supplemental Bond Resolution”; the Original Series 2009A Bond Resolution, as amended and supplemented by this Series 2016A-R3 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 2009A Bond Resolution”), (ii) the Act, and (iii) all other applicable law; 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 the Series 2016A-R3 Refunding Bonds as “Green Bonds”, such Series 2016A-R3 Refunding Bonds shall be designated by the title, “Environmental Infrastructure Refunding Bonds, Series 2016A-R3 (2009A Financing Program) (Green Bonds)”;

WHEREAS, upon issuance of the Series 2016A-R3 Refunding Bonds, the Trust shall establish an escrow fund (the “Defeased Series 2009A Bond Escrow Fund”) in accordance with the terms of that certain “Escrow Deposit Agreement, Series 2016A-R3 (2009A Financing Program)”, to be dated the date of issuance of the Series 2016A-R3 Refunding Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the “Defeased Series 2009A 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 2009A Bond Resolution), as Defeased Series 2009A Bond Escrow Agent (or any successor thereto, the “Defeased Series 2009A Bond Escrow Agent”) thereunder;

WHEREAS, upon issuance of the Series 2016A-R3 Refunding Bonds, the Trust will cause a portion of the proceeds thereof to be deposited in the Defeased Series 2009A Bond Escrow Fund in an amount that, together with interest earned thereon as well as certain other available funds, will be sufficient to pay (i) all of the interest due and payable on March 1, 2017 through and including September 1, 2018 (the “Redemption Date”) on all or a portion of the outstanding Series 2009A Bonds otherwise maturing on September 1, 2019 through and including September 1, 2029 (exclusive of that portion thereof that relates to the Loan made to the West Milford Township Municipal Utilities Authority (S340701-09)) (collectively, the “Series 2009A Bonds to be Refunded”), (ii) all of the principal of the Series 2009A Bonds to be Refunded on the Redemption Date, and (iii) the redemption premium, if any, applicable to redeeming all of the Series 2009A Bonds to be Refunded on the Redemption Date (collectively, the “2016 Refunding of the Series 2009A Bonds to be Refunded”);

WHEREAS, upon issuance of the Series 2016A-R3 Refunding Bonds, the Trust will finance the 2016 Refunding of the Series 2009A Bonds to be Refunded with deposits into the Defeased Series 2009A Bond Escrow Fund, from the following sources: (i) from a portion (consisting of the majority share) of the proceeds of the Series 2016A-R3 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 2009A 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-R3 Refunding Supplemental Bond Resolution, a Certificate of an Authorized Officer of the Trust and, to the extent the 2016 Refunding of the Series 2009A Bonds to be Refunded is financed with deposits into the Defeased Series 2009A Bond Escrow Fund, in the Defeased Series 2009A Bond Escrow Deposit Agreement;

WHEREAS, upon issuance of the Series 2016A-R3 Refunding Bonds, the Trust, in accordance with the Act, the Series 2009A 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-R3 Refunding Bonds for the purpose of applying the primary share of the proceeds thereof toward the 2016 Refunding of the Series 2009A 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 the 2016 Refunding of the Series 2009A Bonds to be Refunded, such *pro rata* portion of the Savings to be applied as an additional credit to the existing Series 2009A Trust Loan repayment obligations of such Borrowers; 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-R3 Refunding Bonds that have been paid by the Trust and not otherwise financed from the proceeds of the Series 2016A-R3 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-R3 Refunding Bonds, as the term “obligated person” is defined in Rule 15c2-12, based upon criteria set forth in this Series 2016A-R3 Refunding Supplemental Bond Resolution;

WHEREAS, prior to or simultaneously with the issuance of the Series 2016A-R3 Refunding Bonds, each such Disclosure Borrower, if any, shall enter into a separate “Series 2016A-R3 Continuing Disclosure Agreement (2009A Financing Program)”, to be dated the date of issuance of the Series 2016A-R3 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-R3 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-R3 Refunding Bonds, the Trust shall enter into a “Series 2016A-R3 Trust Continuing Disclosure Agreement (2009A Financing Program)”, to be dated the date of issuance of the Series 2016A-R3 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-R3 Trust Continuing Disclosure Agreement”; the Series 2016A-R3 Borrower Continuing Disclosure Agreements and the Series 2016A-R3 Trust Continuing Disclosure Agreement shall be referred to collectively herein as the “Series 2016A-R3 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-R3 REFUNDING SUPPLEMENTAL BOND RESOLUTION

SECTION 1.01. Definitions.

(A) As used in this Series 2016A-R3 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 2009A Bond Resolution, as amended and supplemented.

(B) The following capitalized terms set forth in this Series 2016A-R3 Refunding Supplemental Bond Resolution shall have the respective meanings ascribed to such terms in the recitals to this Series 2016A-R3 Refunding Supplemental Bond Resolution:

Act
Defeased Series 2009A Bond Escrow Agent
Defeased Series 2009A Bond Escrow Deposit Agreement
Defeased Series 2009A Bond Escrow Fund
DEP
Gross Savings
Original Series 2009A Bond Resolution
Projects
Program
Redemption Date
Rule 15c2-12
Savings
SEC
Securities Exchange Act
Series 2009A Bond Resolution
Series 2009A Bonds
Series 2009A Bonds to be Refunded
Series 2009A Borrower Bonds
Series 2009A Borrower Fund Loan Bonds
Series 2009A Borrower Trust Loan Bonds
Series 2009A Fund Loans
Series 2009A Trust Loans
Series 2016A-R3 Continuing Disclosure Agreements
Series 2016A-R3 Borrower Continuing Disclosure Agreements
Series 2016A-R3 Refunding Bonds
Series 2016A-R3 Refunding Supplemental Bond Resolution
Series 2016A-R3 Trust Continuing Disclosure Agreement
State
Trust
Trustee

2016 Refunding of the Series 2009A Bonds to be Refunded
Withheld Savings

(C) In addition, as used in this Series 2016A-R3 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 and the private water company that previously received a Series 2009A Trust Loan and, in accordance with this Series 2016A-R3 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-R3 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-R3 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-R3 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 2009A Bond Resolution are hereby amended to the extent provided below:

The definition of “Bond Year” in Section 1.01 of the Original Series 2009A Bond Resolution is hereby amended to include at the end thereof the following:

“, and with respect to the Series 2016A-R3 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-R3 Refunding Bonds shall be a

period commencing on the date of issuance of the Series 2016A-R3 Refunding Bonds hereunder and ending on August 31, 2017.”

SECTION 1.02. Authority for Supplemental Bond Resolution. This Series 2016A-R3 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 2009A Bond Resolution, as amended and supplemented.

ARTICLE II

AUTHORIZATION AND DETAILS OF SERIES 2016A-R3 REFUNDING BONDS

SECTION 2.01. [Reserved].

SECTION 2.02. Issuance of Series 2016A-R3 Refunding Bonds; Parity Nature of Bonds; Savings.

(A) The Trust hereby declares the issuance of the Series 2016A-R3 Refunding Bonds to be an authorized undertaking of the Trust pursuant to the Act and Section 2.04(1) of the Original Series 2009A 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 2009A Bond Resolution, upon the issuance of the Series 2016A-R3 Refunding Bonds pursuant to the terms hereof, the Holders of the Series 2016A-R3 Refunding Bonds will be equally and ratably entitled to the benefit of the pledge of the Trust Estate under the Series 2009A Bond Resolution with the Holders of the Series 2009A Bonds that shall remain Outstanding (the “Outstanding Series 2009A Bonds”) and any other Series of Bonds to be issued pursuant to the Series 2009A Bond Resolution, including, without limitation, the moneys and securities in the Debt Service Fund and the rights to the Loan Repayments. Accordingly, each Series of Bonds that is Outstanding pursuant to the terms of the Series 2009A Bond Resolution shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as may be expressly provided in the Series 2009A Bond Resolution.

(C) The Trust shall create two Loan Repayment schedules for each of the Series 2009A Trust Loans (collectively, the “Loan Repayment Schedules”): (i) the first, reflecting the Loan Repayments that are allocable to the Series 2016A-R3 Refunding Bonds until the maturity thereof; and (ii) the second, reflecting the Loan Repayments that are allocable to the Outstanding Series 2009A 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 2009A Trust Loan through the implementation of the 2016 Refunding of the Series 2009A 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-R3 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-R3 Refunding Bonds, the aggregate of the sum of the principal amount of the Series 2016A-R3 Refunding Bonds and the principal amount of the Outstanding Series 2009A Bonds (collectively, the “Outstanding Bonds”) shall be equal to or less

than the aggregate principal amount of the Series 2009A Borrower Trust Loan Bonds that are outstanding as of such date of issuance of the Series 2016A-R3 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 payment obligation of the Borrowers with respect to the aggregate Series 2009A Trust Loans (as evidenced and secured by the aggregate principal amount of the Series 2009A Borrower Trust Loan Bonds), net of the Savings Credits and the Withheld Savings, if any, to the extent and as applied to the aggregate principal payment obligations of the Borrowers with respect to the aggregate Series 2009A Trust Loans, shall equal the aggregate principal amount of the Outstanding Bonds. Notwithstanding any provision to the contrary in the Series 2009A Bond Resolution and in light of the foregoing provisions of this subsection (D), 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 2009A 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-R3 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-R3 Refunding Bonds on the first available Interest Payment Date.

SECTION 2.03. Authorization and Terms of the Series 2016A-R3 Refunding Bonds.

(A) The Trust hereby authorizes the issuance of the Series 2016A-R3 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 payment obligation of the Borrowers with respect to the aggregate Series 2009A Trust Loans (as evidenced and secured by the aggregate principal amount of the Series 2009A 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, to the extent and as applied to the aggregate principal payment obligation of the Borrowers with respect to the aggregate Series 2009A Trust Loans, 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 2009A Bonds to be Refunded and (ii) the payment of certain expenses incurred in connection with the issuance of the Series 2016A-R3 Refunding Bonds. Notwithstanding any provision of this Section 2.03(A) or this Series 2016A-R3 Refunding Supplemental Bond Resolution to the contrary, the Series 2016A-R3 Refunding Bonds shall not be issued by the Trust until satisfaction in full of the Trust Conditions Precedent.

(B) The Series 2016A-R3 Refunding Bonds shall bear interest from the date of issuance thereof until final maturity (stated or otherwise) based upon the Outstanding principal amount

thereof at the per annum interest rates set forth below payable to the registered owners thereof as of each applicable Record Date and payable initially on March 1, 2017 and semiannually thereafter on March 1 and September 1 in each year until final maturity (stated or otherwise). Interest on the Series 2016A-R3 Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months. The Series 2016A-R3 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-R3 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 2009A 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.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		

(C) The Series 2016A-R3 Refunding Bonds shall be dated the date of issuance thereof, shall be numbered with the prefix 2016A-R3-R from 1 consecutively upward, and will be issued in fully registered form. When issued, the Series 2016A-R3 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-R3 Refunding Bonds will be delivered to DTC in single denominations for each maturity thereof. Purchases of the Series 2016A-R3 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-R3 Refunding Bonds will be issued in denominations of \$5,000 each or any integral multiple thereof.

Notwithstanding any other provision in the Series 2009A Bond Resolution to the contrary, so long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2016A-R3 Refunding Bonds, payments of the principal of and interest on the Series 2016A-R3 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-R3 Refunding Bonds is the responsibility of the DTC participants.

(D) The Series 2016A-R3 Refunding Bonds shall constitute a single Series of Bonds, and each shall be designated “Environmental Infrastructure Refunding Bond, Series 2016A-R3 (2009A Financing Program)”.

SECTION 2.04. Redemption of the Series 2016A-R3 Refunding Bonds.

(A) **Optional Redemption.** [The Series 2016A-R3 Refunding Bonds maturing on or before September 1, [2027] shall not be subject to redemption prior to their respective stated maturity dates. The Series 2016A-R3 Refunding Bonds maturing on or after September 1, [2028] shall be subject to redemption prior to their respective stated maturity dates, on or after September 1, [2027], at the option of the Trust, upon the terms set forth in this subsection and upon notice as provided in Article IV of the Original Series 2009A Bond Resolution, as amended and supplemented, 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.]

(B) **Mandatory Sinking Fund Redemption.** The Series 2016A-R3 Refunding Bonds are not subject to mandatory sinking fund redemption prior to their stated maturities.

SECTION 2.05. Form of Series 2016A-R3 Refunding Bonds. The Series 2016A-R3 Refunding Bonds shall be in substantially the form set forth in Section 14.01 of the Original Series 2009A 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-R3 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 2009A 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-R3 Refunding Bonds, and the Secretary and Assistant Secretary of the Trust are hereby severally authorized to attest to the execution of the Series 2016A-R3 Refunding Bonds by the Chairman or Vice Chairman of the Trust and to affix the corporate seal of the Trust upon the Series 2016A-R3 Refunding Bonds, all in accordance with Article III of the Original Series 2009A Bond Resolution, as amended and supplemented. Following execution of the Series 2016A-R3 Refunding Bonds, any Authorized Officer is hereby authorized to deliver the Series 2016A-R3 Refunding Bonds to the Trustee for authentication. The Trustee is hereby authorized and directed to authenticate the Series 2016A-R3 Refunding Bonds in accordance with Article III of the Original Series 2009A Bond Resolution, as amended and supplemented, and thereafter deliver the Series 2016A-R3 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 2009A 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-R3 Refunding Bonds by the Trust as provided in the Series 2009A Bond Resolution and after the authentication

and delivery thereof as also provided in the Series 2009A Bond Resolution, the Series 2016A-R3 Refunding Bonds shall constitute Refunding Bonds in accordance with Article II of the Original Series 2009A Bond Resolution, as amended and supplemented.

SECTION 2.08. Book-Entry Format. The Series 2016A-R3 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 2009A Bond Resolution, as amended and supplemented.

ARTICLE III

CREATION AND ESTABLISHMENT OF DEFEASED SERIES 2009A BOND ESCROW FUND AND SEPARATE ACCOUNTS WITHIN ALL FUNDS; APPLICATION OF SERIES 2016A-R3 REFUNDING BOND PROCEEDS AND TAX CERTIFICATE

SECTION 3.01. Creation of Defeased Series 2009A 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 2009A Bonds to be Refunded in accordance with the terms of the Defeased Series 2009A Bond Escrow Deposit Agreement, a special and irrevocable escrow fund designated “Defeased Environmental Infrastructure Bonds, Series 2009A Escrow Fund (2016)”.

(B) Section 5.01 of the Original Series 2009A 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-R3 Refunding Bonds within each Account created under the Series 2009A 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-R3 Refunding Bonds within each Fund created under the Series 2009A 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 2009A 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 2009A Bond Resolution that is held by the Trust.

SECTION 3.02. Amendment of Section 5.05 of the Original Series 2009A Bond Resolution. Section 5.07(1) of the Original Series 2009A 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-R3 Refunding Bonds and Other Moneys. The proceeds of the Series 2016A-R3 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 2009A 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-R3 Refunding Bonds pursuant to Section 3.06 hereof (other than those such amounts paid directly by the Trust to a direct payee), 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 2009A Bonds to be Refunded; provided that the origin of moneys for such funds shall comply in all respects with the Series 2009A Bond Resolution, as amended and supplemented, and the Code.

SECTION 3.05. Tax Exempt Status of Series 2016A-R3 Refunding Bonds. The Trust covenants to comply with the provisions of the Code applicable to the Series 2016A-R3 Refunding Bonds and covenants not to take any action or fail to take any action that would cause the interest on the Series 2016A-R3 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-R3 Refunding Bonds in such form as specified by Bond Counsel to the Trust.

SECTION 3.06. Payment of Costs of Issuing the Series 2016A-R3 Refunding Bonds. In connection with the issuance of the Series 2016A-R3 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-R3 Refunding Bonds that are not permitted to be paid from the proceeds of the Series 2016A-R3 Refunding Bonds pursuant to the Code, if any. 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.

ARTICLE IV

APPOINTMENT OF TRUSTEE, PAYING AGENT AND DEFEASED SERIES 2009A BOND ESCROW AGENT

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-R3 Refunding Bonds. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2009A Bond Resolution by executing the certificate of authentication endorsed upon the Series 2016A-R3 Refunding Bonds upon the original issuance thereof. All of the provisions set forth in Article X or otherwise of the Original Series 2009A Bond Resolution, as amended and supplemented, relating to the Trustee shall be applicable to the Trustee with respect to the Series 2016A-R3 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-R3 Refunding Bonds. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Series 2009A 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-R3 Refunding Bonds. All of the provisions set forth in Article X or otherwise of the Original Series 2009A Bond Resolution, as amended and supplemented, relating to the Paying Agent shall be applicable to the Paying Agent with respect to the Series 2016A-R3 Refunding Bonds as if fully set forth herein.

SECTION 4.03. Appointment of Defeased Series 2009A Bond Escrow Agent. U.S. Bank National Association, Morristown, New Jersey, is hereby appointed Defeased Series 2009A Bond Escrow Agent for the Series 2009A Bonds to be Refunded. In such event, the Defeased Series 2009A Bond Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Defeased Series 2009A Bond Escrow Deposit Agreement by executing and delivering same.

ARTICLE V

DEFEASED SERIES 2009A BOND ESCROW DEPOSIT AGREEMENT, SERIES 2016A-R3 CONTINUING DISCLOSURE AGREEMENTS, OFFICIAL STATEMENT AND SALE OF THE SERIES 2016A-R3 REFUNDING BONDS

SECTION 5.01. Defeased Series 2009A Bond Escrow Deposit Agreement and Series 2016A-R3 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 2009A Bond Escrow Deposit Agreement and the Series 2016A-R3 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 2009A Bond Escrow Deposit Agreement and Series 2016A-R3 Continuing Disclosure Agreements; provided, however, that the Defeased Series 2009A Bond Escrow Deposit Agreement shall in any event conform with all of the requirements for the defeasance of the Series 2009A Bonds to be Refunded as set forth in the Series 2009A Bond Resolution, particularly Article XII of the Original Series 2009A Bond Resolution, as amended and supplemented, and such Defeased Series 2009A Bond Escrow Deposit Agreement and Series 2016A-R3 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 2009A 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 2009A Bond Escrow Fund established in accordance with the terms of the Defeased Series 2009A Bond Escrow Deposit Agreement, as applicable, and such Authorized Officer shall undertake whatever method of acquisition of such Investment Securities is deemed in compliance with (i) the provisions of the Series 2009A Bond Resolution, (ii) applicable law, including, without limitation, the Act, and (iii) the then-current investment policy of the Trust, 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 2009A 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 2009A 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-R3 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-R3 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-R3 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-R3 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-R3 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-R3 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-R3 Refunding Bonds a notice of sale with respect to the Series 2016A-R3 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-R3 Refunding Bonds; (ii) the criteria pursuant to which the award of the Series 2016A-R3 Refunding Bonds shall be made by the Trust; (iii) the date and time at which proposals for the purchase of the Series 2016A-R3 Refunding Bonds shall be accepted by the Trust; and (iv) the method by which the bidders for the purchase of the Series 2016A-R3 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-R3 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-R3 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-R3 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-R3 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.

(E) 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, and the marketing and sale of the Series 2016A-R3 Refunding Bonds, to designate the Series

2016A-R3 Refunding Bonds as “Green Bonds”, the Series 2016A-R3 Refunding Bonds shall be designated by the title, “Environmental Infrastructure Refunding Bonds, Series 2016A-R3 (2009A Financing Program) (Green Bonds)”.

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 2009A 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; Electronic Dissemination of the Official Statement.

(A) Notwithstanding any provision of this Series 2016A-R3 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-R3 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.

(C) Notwithstanding any provision of this Series 2016A-R3 Refunding Supplemental Bond Resolution to the contrary, the Authorized Officers are hereby severally authorized at their discretion to disseminate the Official Statement via electronic medium, in addition to or in lieu of physical, printed medium; provided, however, that in disseminating the Official Statement via such medium, such Authorized Officer shall otherwise fully comply with the provisions of Section 5.04 hereof.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Certificate of an Authorized Officer Amending and Supplementing this Series 2016A-R3 Refunding Supplemental Bond Resolution. Notwithstanding any other provision herein to the contrary, the Series 2016A-R3 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-R3 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-R3 Refunding Bonds and the amounts and sources of funds to be deposited in the Defeased Series 2009A Bond Escrow Fund (iii) any changes to the Series 2009A Bond Resolution required (1) by any Rating Agency rating the Series 2016A-R3 Refunding Bonds or (2) to ensure that interest is excludable from the gross income of the Holders of the Series 2016A-R3 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 2009A 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-R3 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-R3 Refunding Supplemental Bond Resolution, as originally adopted on November 10, 2016, deemed necessary, desirable or convenient by any such Authorized Officer to sell the Series 2016A-R3 Refunding Bonds at the lowest cost and with the greatest Savings to effect the 2016 Refunding of the Series 2009A Bonds to be Refunded, the contents of which Certificate may be incorporated in this Series 2016A-R3 Refunding Supplemental Bond Resolution without compliance with any other provision of the Series 2009A Bond Resolution, including, without limitation, Article XI of the Original Series 2009A 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-R3 Refunding Supplemental Bond Resolution to Govern. To the extent that the provisions of this Series 2016A-R3 Refunding Supplemental Bond Resolution are inconsistent with the provisions of the Original Series 2009A Bond Resolution, the provisions of this Series 2016A-R3 Refunding Supplemental Bond Resolution shall control.

SECTION 6.03. Incidental Action. The Authorized Officers are hereby severally authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order (i) to effectuate the sale and issuance of the Series 2016A-R3 Refunding Bonds, (ii) to effect the 2016 Refunding of the Series 2009A 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-R3 Refunding Bonds and the Series 2009A Bonds to be Refunded (including the preparation and filing of any information reports or other documents with respect

to the Series 2016A-R3 Refunding Bonds or the Series 2009A Bonds to be Refunded as may at any time be required under Section 149 of the Code).

SECTION 6.04. Series 2016A-R3 Refunding Supplemental Bond Resolution Amendments. This Series 2016A-R3 Refunding Supplemental Bond Resolution may be amended and supplemented prior to the issuance of the Series 2016A-R3 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 2009A 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 2009A 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-R3 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-R3 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 2009A 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 2009A 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 2009A Trust Loan Agreements) whereby annual charges or indirect annual charges, as the case may be, materially secure the remaining Series 2009A Fund Loan repayments and the Series 2009A 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-R3 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-R3 Trust Continuing Disclosure Agreement), if material, with respect to the Series 2016A-R3 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 2009A 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-R3 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-R3 Refunding Supplemental Bond Resolution.

EXHIBIT A

**FORMS OF DEFEASED SERIES 2009A BOND ESCROW DEPOSIT AGREEMENT AND
SERIES 2016A-R3 CONTINUING DISCLOSURE AGREEMENT**

**ESCROW DEPOSIT AGREEMENT,
SERIES 2016A-R_ (____ FINANCING PROGRAM)**

Dated _____, 2016

between

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

and

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

**ESCROW DEPOSIT AGREEMENT,
SERIES 2016A-R_ (____ FINANCING PROGRAM)**

THIS ESCROW DEPOSIT AGREEMENT, SERIES 2016A-R_ (____ FINANCING PROGRAM), dated _____, 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 _____ Bond Escrow Agent;

WITNESSETH:

WHEREAS, on _____, _____, 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 _____" dated _____, _____ in the original aggregate principal amount of \$_____ (the "Series _____ Bonds") in accordance with the provisions of the "Environmental Infrastructure Bond Resolution, Series _____" of the Trust duly adopted by the Trust on _____, _____ (the "Original _____ Bond Resolution"), the Act and all other applicable law;

WHEREAS, the primary share of the proceeds of the Series _____ Bonds were applied by the Trust to the making of loans (the "Series _____ Trust Loans") to each of the Series _____ Borrowers (as defined in the hereinafter defined Series 2016A-R_ Refunding Supplemental Bond Resolution) to finance or refinance approximately half of the then eligible costs for the acquisition, construction, renovation and installation of their respective environmental infrastructure system projects (the "Projects"), all in accordance with the New Jersey Environmental Infrastructure Financing Program, Series _____, created by the State to implement the Federally financed State Revolving Loan Program in the State (the "Program");

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

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

WHEREAS, the Series _____ Fund Loans were evidenced by revenue bonds issued by authority Series _____ Borrowers and, if other Series _____ Borrowers received Series _____ Fund

Loans, by general obligation bonds issued by such other Series ____ Borrowers (collectively, the "Series ____ Local Unit Fund Loan Bonds", and together with the Series ____ Local Unit Trust Loan Bonds, the "Series ____ Local Unit Bonds") in accordance with all applicable law;

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

WHEREAS, the Trust has determined that net present value savings (the "Gross Savings") can be achieved upon the defeasance and advance refunding of that portion of the Series ____ Bonds defined below as the Series ____ Bonds to be Refunded through the implementation of the hereinafter defined 2016 Refunding of the Series ____ Bonds to be Refunded (net of all costs incurred in connection therewith, the "Savings");

WHEREAS, Section 2.04(1) of the Original Series ____ Bond Resolution and the terms of the Series 2016A-R_ Refunding Supplemental Bond Resolution permit the issuance of a portion of the hereinafter defined Series 2016A-R_ Refunding Bonds in the aggregate principal amount of \$ _____ (the "____ Allocable Portion") as "Additional Bonds" to achieve the 2016 Refunding of the Series ____ Bonds to be Refunded upon satisfaction of certain conditions precedent thereto as set forth in Section 2.04(2) of the Original Series ____ Bond Resolution;

WHEREAS, upon issuance of the Series 2016A-R_ Refunding Bonds, a portion of the Series ____ Bonds will remain Outstanding;

WHEREAS, on _____, 2016, the Trust shall issue its "Environmental Infrastructure Refunding Bonds, Series 2016A-R_" to be dated _____, 2016 in an aggregate principal amount of \$ _____ (the "Series 2016A-R_ Refunding Bonds"), the ____ Allocable Portion of which shall be issued pursuant to the terms of (i) the Original Series ____ Bond Resolution, as amended and supplemented by the "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R_ of the New Jersey Environmental Infrastructure Trust" adopted by the Trust on _____, as amended and supplemented by a certificate of an Authorized Officer of the Trust dated _____, 2016 (the "Series 2016A-R_ Refunding Supplemental Bond Resolution," and together with the Original Series ____ Bond Resolution, and as the same may be further amended and supplemented from time to time in accordance with its terms, the "Series ____ Bond Resolution"), (ii) the Act, and (iii) all other applicable law;

WHEREAS, upon issuance of the Series 2016A-R_ Refunding Bonds, the Trust shall establish an escrow fund (the "Defeased Series ____ Bond Escrow Fund") in accordance with the terms of this "Escrow Deposit Agreement, Series 2016A-R_ (____ Financing Program)" dated _____, 2016 (as the same may be amended and supplemented from time to time in accordance with its terms, the "Defeased Series ____ Bond Escrow Deposit Agreement") by and between the Trust and _____, _____, New Jersey (the original trustee under the Original Series ____ Bond Resolution), as Defeased Series ____ Bond Escrow Agent (or any successor thereto, the "Defeased Series ____ Bond Escrow Agent") thereunder;

WHEREAS, upon issuance of the Series 2016A-R_ Refunding Bonds, the Trust will cause moneys to be deposited in the Defeased Series ____ Bond Escrow Fund in an amount that, together with interest earned thereon, will be sufficient to pay (i) all of the interest due and payable on _____ (the "Redemption Date") on the Outstanding Series ____ Bonds otherwise maturing on September 1, ____ through and including September 1, ____ (such portion of each such maturity being identified in Schedule A attached hereto) (collectively, the "Series ____ Bonds to be Refunded") and (ii) all of the principal of the Series ____ Bonds to be Refunded on the Redemption Date (collectively, the "2016 Refunding of the Series ____ Bonds to be Refunded");

WHEREAS, upon issuance of the Series 2016A-R_ Refunding Bonds, the Trust will finance the 2016 Refunding of the Series ____ Bonds to be Refunded with deposits into the Defeased Series ____ Bond Escrow Fund from the following sources: (i) from the primary share of the proceeds of the Series 2016A-R_ Refunding Bonds and (ii) from the immediate transfer of certain moneys remaining on deposit in certain funds and accounts established and existing under the Original Series ____ Bond Resolution by U.S. Bank National Association, Morristown, New Jersey, as Trustee (or any successor thereto, the "Trustee") thereunder, all as set forth in the Series 2016A-R_ Refunding Supplemental Bond Resolution and in this Defeased Series ____ Bond Escrow Deposit Agreement; and

WHEREAS, upon issuance of the Series 2016A-R_ Refunding Bonds, the Trust, in accordance with the Act, the Series ____ Bond Resolution and a financial plan approved by the State Legislature in accordance with Section 23 of the Act, will (i) issue the Series 2016A-R_ Refunding Bonds for the purpose of applying the primary share of the ____ Allocable Portion thereof toward the 2016 Refunding of the Series ____ Bonds to be Refunded and (ii) apply the balance of the proceeds thereof to the payment to the Series ____ Borrowers of their pro-rata portion of the Savings (i.e., 100%) achieved from the 2016 Refunding of the Series ____ Bonds to be Refunded.

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

SECTION 1. Definitions.

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

Act
Defeased Series ____ Bond Escrow Agent
Defeased Series ____ Bond Escrow Deposit Agreement
Defeased Series ____ Bond Escrow Fund
DEP
Original ____ Bond Resolution
Projects
Program
Redemption Date
Rule 15c2-12
Savings
SEC
Securities Exchange Act
Series ____ Bond Resolution
Series ____ Bonds
Series ____ Bonds to be Refunded
Series ____ Fund Loans
Series ____ Local Unit Bonds
Series ____ Local Unit Fund Loan Bonds
Series ____ Local Unit Trust Loan Bonds
Series ____ Trust Loans
Series 2016A-R_ Continuing Disclosure Agreements
Series 2016A-R_ Refunding Bonds
Series 2016A-R_ Refunding Supplemental Bond Resolution
State
Trust
Trustee
____ Allocable Portion
2016 Refunding of the Series ____ Bonds to be Refunded

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

SECTION 2. Defeased Series ____ Bond Escrow Fund.

Pursuant to Section 3.01(A)(__) of the Series 2016A-R_ Refunding Supplemental Bond Resolution, the Trust has created and established with the Defeased Series ____ Bond Escrow Agent a special and irrevocable escrow fund designated "Defeased Environmental Infrastructure Bonds, Series ____ Escrow Fund (2016)" (the "Defeased Series ____ Bond Escrow Fund") to be held by the Defeased Series ____ Bond Escrow Agent as a trust fund for the benefit of the holders of the Series ____ Bonds to be Refunded. The Defeased Series ____ Bond Escrow Fund shall be held by the

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

SECTION 3. Receipt of Funds.

(a) The Defeased Series ____ Bond Escrow Agent hereby acknowledges receipt on _____, 2016 from the Trustee of \$_____, consisting of (i) \$_____ on deposit in the Rebate Fund, created and existing under the Series ____ Bond Resolution; and (ii) \$_____ on deposit in the Project Fund, created and existing under the Series ____ Bond Resolution (\$_____ from the Project Fund being attributable to the _____; and \$_____ from the Project Fund being attributable to the _____);, for immediate transfer to the Defeased Series ____ Bond Escrow Agent for deposit in the Defeased Series ____ Bond Escrow Fund, all as required by Section 3.02(B) of the Series 2016A-R_ Refunding Supplemental Bond Resolution.

(b) In accordance with the terms of a Certificate of an Authorized Officer of the Trust delivered pursuant to Section 3.02(B) of the Series 2016A-R_ Refunding Supplemental Bond Resolution, simultaneously with the execution and delivery hereof, the Trustee has received from the purchasers of the Series 2016A-R_ Refunding Bonds in immediately available funds for immediate transfer to the Defeased Series ____ Bond Escrow Agent for deposit in the Defeased Series ____ Bond Escrow Fund the sum of \$_____ as required by such Certificate. The Defeased Series ____ Bond Escrow Agent hereby acknowledges receipt on _____, 2016 of such moneys from the Trustee.

(c) Accordingly, on _____, 2016, the Defeased Series ____ Bond Escrow Agent hereby acknowledges the collective receipt of \$_____ for immediate transfer to or deposit in the Defeased Series ____ Bond Escrow Fund, all as required by a Certificate of an Authorized Officer of the Trust delivered pursuant to Section 3.02(B) of the Series 2016A-R_ Refunding Supplemental Bond Resolution.

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

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

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

(c) [Reserved.]

(d) The Defeasance Securities are direct, noncallable obligations of the United States of America, and are Investment Securities as described in clause (i) of the definition of "Investment Securities" in Section 1.01 of the Original Series ____ Bond Resolution, as amended and supplemented, and in accordance with the requirements of Article XII of the Original Series ____ Bond Resolution, as amended and supplemented. In reliance on the Verification Report of _____, dated _____, 2016, attached hereto as Exhibit B, the receipt of which is acknowledged by the parties hereto, the Trust represents that the amounts so deposited in the Defeased Series ____ Bond Escrow Fund, together with income from the investments therefrom to be retained therein pursuant to this Defeased Series ____ Bond Escrow Deposit Agreement, will provide sufficient funds to pay (i) all of the interest due from March 1, 2017 through the Redemption Date on the Series ____ Bonds to be Refunded, (ii) all of the principal of the Series ____ Bonds to be Refunded on the Redemption Date, and (iii) the redemption premium, if any applicable to redeeming all of the Series ____ Bonds to be Refunded on the Redemption Date.

SECTION 5. Application of the Defeased Series ____ Bond Escrow Fund.

(a) The Defeased Series ____ Bond Escrow Agent agrees that the amounts deposited in the Defeased Series ____ Bond Escrow Fund pursuant to Section 4 hereof and the interest income to be earned thereon and any other moneys and investments deposited in the Defeased Series ____ Bond Escrow Fund will be held in trust solely for the benefit of the holders of the Series ____ Bonds to be Refunded. The Trust hereby irrevocably instructs the Defeased Series ____ Bond Escrow Agent to apply the principal of and interest earned on the Defeasance Securities through and including the Redemption Date to the payment of (i) all of the interest due from March 1, 2017 through and including the Redemption Date on all of the Series ____ Bonds to be Refunded, (ii) all of the principal of all of the Series ____ Bonds to be Refunded on the Redemption Date, and (iii) the redemption premium, if any, applicable to redeeming all of the Series ____ Bonds to be Refunded on the Redemption Date.

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

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

at the written direction of the Trust, of additional Investment Securities bearing interest at the rate of 0% per annum, if such Investment Securities are available; (B) held as cash; or (C) such other use of funds as directed by the Trust and as (I) may be authorized by an approving opinion of nationally recognized bond counsel to the effect that such use of funds will not cause the Series 2016A-R_ Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148(a) (or any successor provision) of the Code and (II) are not needed by the Defeased Series ____ Bond Escrow Agent to fulfill the obligations under Section 5(a) hereof. The Trust shall prepare and deliver to the Defeased Series ____ Bond Escrow Agent or cause the Defeased Series ____ Bond Escrow Agent to prepare and deliver the completed Investment Securities forms necessary to permit the Defeased Series ____ Bond Escrow Agent to make any reinvestments in Investment Securities in the time and manner required by this paragraph (b). All reinvestments must be in Defeasance Securities that mature in amounts at least equal to the purchase price on or before the next debt service payment date, as advised to the Escrow Agent by the Trust.

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

SECTION 6. Substitution of Defeasance Securities.

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

(b) (i) At the written request of the Trust not less than three (3) business days prior to the settlement of any such transaction hereunder and upon compliance with the conditions hereinafter stated, the Defeased Series ____ Bond Escrow Agent shall sell, transfer or otherwise dispose of or request the redemption of the Defeasance Securities and shall substitute for such Defeasance Securities direct obligations of the United States of America ("United States Obligations"), which may or may not permit the redemption thereof at the option of the holder thereof, but not at the option of the issuer of such United States Obligations. The Trust hereby covenants and agrees that it will not request the Defeased Series ____ Bond Escrow Agent to exercise any of the powers described in the preceding sentence in any manner that would cause the Series 2016A-R_ Refunding Bonds to be arbitrage bonds within the meaning of Section 148(a) (or any successor provision) of the Code and the regulations thereunder in effect on the date of such request and applicable to obligations issued on the issue date of the Series 2016A-R_ Refunding Bonds. The Defeased Series ____ Bond Escrow Agent shall purchase such substituted United States Obligations with the proceeds derived from the sale, transfer, disposition or redemption of the Defeasance Securities.

(ii) The amounts realized from the disposition of Defeasance Securities and the purchase of substitute United States Obligations together with earnings on such substitute United States Obligations not required by the Defeased Series ____ Bond Escrow Agent to fulfill its obligations under Section 5 hereof shall be transferred to the Trustee for deposit in such funds and accounts under the Series ____ Bond Resolution as the Trust shall direct in writing, and for the application therefrom, at the written direction of the Trust, to the purchase or redemption of the Series 2016A-R_ Refunding Bonds or, if the Series 2016A-R_ Refunding Bonds are no longer Outstanding, in such manner as the Trustee may be advised in writing by the Trust for any corporate purpose of the Trust.

(iii) The transactions referred to in the first sentence of Section 6(b)(i) hereof may be effected only if the Trust delivers to the Defeased Series ____ Bond Escrow Agent not less than three (3) business days prior to the settlement of any such transaction hereunder (A) a certificate of an Authorized Officer of the Trust to the effect that the principal amount of the United States Obligations to be substituted, and the interest income to be earned thereon, will be sufficient without further investment to permit the Defeased Series ____ Bond Escrow Agent to fulfill the obligations set forth under Section 5 hereof, (B) an unqualified opinion of nationally recognized bond counsel to the effect that the disposition and substitution or purchase of such securities will not cause the Series 2016A-R_ Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148(a) (or any successor provision) of the Code, and (C) such additional documents and exhibits revising Exhibits A and B hereto. The Trust hereby covenants that no part of the moneys or funds at any time in the Defeased Series ____ Bond Escrow Fund shall be used directly or indirectly to acquire any investment property, the acquisition of which would cause any Series 2016A-R_ Refunding Bonds to be "arbitrage bonds" as defined in Section 148(a) (or any successor provision) of the Code as then in effect.

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

SECTION 7. Receipt, Notice and Publication.

The Defeased Series ____ Bond Escrow Agent acknowledges receipt of the Series 2016A-R_ Refunding Supplemental Bond Resolution in which the 2016 Refunding of the Series ____ Bonds to be Refunded is authorized and approved. The Defeased Series ____ Bond Escrow Agent is hereby further irrevocably instructed and agrees also to mail (via registered mail or overnight courier) (i) as soon as practicable after the issuance of the Series 2016A-R_ Refunding Bonds, in the manner prescribed by Article XII of the Original Series ____ Bond Resolution, a notice to the holders of the Series ____ Bonds to be Refunded, substantially in the form of Exhibit D attached to this Defeased Series ____ Bond Escrow Deposit Agreement, that the deposit has been made with the Defeased Series ____ Bond Escrow Agent and that the Series ____ Bonds to be Refunded are deemed to have been paid in accordance with Article XII of the Original Series ____ Bond Resolution and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on the Series ____ Bonds to be Refunded; and (ii) a notice of redemption, in substantially the form attached hereto as Exhibit E, no

later than August 1, 20___, which is at least thirty (30) days but not more than forty-five (45) days prior to the Redemption Date, to all registered owners of the Series ___ Bonds to be Refunded to be redeemed in accordance with the requirements of Article IV and other redemption provisions of the Original Series ___ Bond Resolution, as amended and supplemented. Such instruction satisfies the requirements of Section 2.04(2)(a) of the Original Series ___ Bond Resolution.

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

On the Redemption Date, but in any event, notwithstanding any other provision herein to the contrary, not until *AFTER* payment in full of the principal and redemption premium of and the interest on all of the Series ___ Bonds to be Refunded, all remaining moneys and securities in the Defeased Series ___ Bond Escrow Fund shall be transferred by the Defeased Series ___ Bond Escrow Agent to the Trustee for deposit in such funds and accounts under the Series ___ Bond Resolution as the Trust shall direct in writing, and for the application therefrom, at the written direction of the Trust, to the purchase or redemption of the Series 2016A-R_ Refunding Bonds or, if the Series 2016A-R_ Refunding Bonds are no longer Outstanding, in such manner as the Trustee may be advised in writing by the Trust for any corporate purpose of the Trust.

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

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

SECTION 10. Defeased Series ____ Bond Escrow Agent.

(a) Unless otherwise provided by contract, the Defeased Series ____ Bond Escrow Agent shall be compensated for its reasonable fees, expenses and disbursements, including reasonable legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the Trust for payment, all in accordance with that certain fee letter dated _____, 2016. This right to receive compensation notwithstanding, the Defeased Series ____ Bond Escrow Agent hereby acknowledges that it shall not assert a lien or right of set-off on moneys in the Trust Estate (as defined in the Series ____ Bond Resolution) for any such payment, and that it shall not assert a lien or right of set-off on the moneys in the Defeased Series ____ Bond Escrow Fund for any such payment.

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

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

(d) The Trust, subject to the limitation of its liability under the Series ____ Bond Resolution and applicable New Jersey law, and only out of the Trust Estate (as defined in the Series ____ Bond Resolution), shall indemnify and save harmless the Defeased Series ____ Bond Escrow Agent against any loss, liability or expense, including legal fees, that the Defeased Series ____ Bond Escrow Agent may incur in the exercise and performance of its powers and duties hereunder and that are not due to its own gross negligence or willful misconduct. The indemnification of the Defeased

Series ____ Bond Escrow Agent provided for in this Section 10(d) shall survive termination of this Defeased Series ____ Bond Escrow Deposit Agreement pursuant to Section 11 hereof and the resignation or removal of the Defeased Series ____ Bond Escrow Agent.

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

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

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

SECTION 11. Termination.

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

SECTION 12. Amendments.

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

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

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

The Defeased Series ____ Bond Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to the matters provided for in this Section 12, including the extent, if any, to which any change, modification, addition or elimination affects the rights of holders of the Series ____ Bonds to be Refunded or that any instrument executed hereunder complies with the conditions or provisions of this Section 12. Notwithstanding anything in this paragraph to the contrary, no change shall be made to any provision of this Defeased Series ____ Bond Escrow Deposit Agreement regarding the investment or other use of the proceeds of the Series 2016A-R_ Refunding Bonds without an unqualified opinion of nationally recognized bond counsel to the effect that such change and the investment or other use of the proceeds of the Series 2016A-R_ Refunding Bonds in accordance with such change will not adversely affect the exclusion of interest on the Series 2016A-R_ Refunding Bonds from the gross income of the holders thereof for Federal income tax purposes provided under Section 103 (or any successor provision) of the Code.

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

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

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

[SEAL]

Attest:

**NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE TRUST**

David E. Zimmer
Assistant Secretary

By:_____

[SEAL]

Attest:

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

By:_____

[Signature Page]

SCHEDULE A

SERIES ____ BONDS TO BE REFUNDED

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

EXHIBIT A

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

EXHIBIT B

EXHIBIT C

[Reserved]

EXHIBIT D

DEFEASANCE NOTICE TO THE HOLDERS OF CERTAIN
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
“ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES _____”

DATED: _____, _____

Notice is hereby given to the holders of the outstanding “Environmental Infrastructure Bonds, Series _____” of the New Jersey Environmental Infrastructure Trust (the “Trust”), dated _____, _____ (the “Bonds”), more particularly described below as the “Refunded Bonds”, that there have been deposited with _____, as Defeased Series _____ Bond Escrow Agent (the “Escrow Agent”) moneys and investment securities (consisting of direct obligations of the United States of America) the principal of and interest on which, when due, will provide moneys which, together with the moneys on deposit with the Escrow Agent at the same time, will be sufficient to pay the principal of and interest and redemption premium on all of the Refunded Bonds maturing on September 1, 20__ through and including September 1, 20__ (CUSIP Nos. _____) on September 1, 20__, the redemption date thereof. The Refunded Bonds are deemed to have been paid in accordance with Article XII of that certain “Environmental Infrastructure Bond Resolution, Series _____” of the Trust duly adopted by the Trust on September __, ____, as amended and supplemented by that certain “Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R_ (_____ Financing Program) of the New Jersey Environmental Infrastructure Trust” of the Trust duly adopted by the Trust on July 12, 2016, as further amended and supplemented by a certificate of an authorized officer of the Trust dated _____, 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 Redemption. Reliance may only be placed on the identification numbers printed herein or on the Bonds.

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

EXHIBIT E

NOTICE OF REDEMPTION

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
"ENVIRONMENTAL INFRASTRUCTURE BONDS, SERIES ____"
DATED _____, ____

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

NOTICE IS HEREBY GIVEN THAT, pursuant to the provisions of that certain supplemental bond resolution adopted by the New Jersey Environmental Infrastructure Trust (the "Trust") on July 12, 2016, as amended and supplemented by a certificate of an authorized officer of the Trust dated _____, 2016, and entitled "Supplemental Bond Resolution Authorizing the Issuance of Environmental Infrastructure Refunding Bonds, Series 2016A-R_ of the New Jersey Environmental Infrastructure Trust", all of the above-referenced bonds (the "Bonds") have been called for redemption on September 1, 20__ (the "Redemption Date") at a redemption price of __% of the principal amount thereof for the Bonds maturing on September 1, 20__ through and including September 1, 20__, plus interest accrued to the Redemption Date. You are hereby notified that the Bonds should be presented for redemption at the principal corporate trust office of _____, _____, _____, New Jersey, Attn: Corporate Trust Department, on or immediately before the Redemption Date. On said date, the Bonds will become due and payable at the respective redemption prices stated above, plus interest accrued to the Redemption Date, and interest on all such Bonds shall cease to accrue from and after such Redemption Date.

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

New Jersey Environmental Infrastructure Trust
by _____,
as Defeased Series ____ Bond Escrow Agent

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, the Borrower Enabling Act, the "Local Bond Law, as the same may from time to time be amended and supplemented, the "Local Budget Law", constituting Chapter 169 of the Pamphlet Laws of 1960 of the State (codified at N.J.S.A. 40A:4-1 et seq.), 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.

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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.

