

[MASTER ESCROW AGREEMENT - MUNICIPAL/COUNTY FORM]

ESCROW AGREEMENT

by and among

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST,

**THE STATE OF NEW JERSEY,
acting by and through the New Jersey Department of Environmental Protection,**

[NAME OF BORROWER]

and

**U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent**

DATED: _____, 2015

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ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “Escrow Agreement”), made and entered into on the Escrow Closing Date (as hereinafter defined) by and among 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 (the “Trust”), THE STATE OF NEW JERSEY, acting by and through the New Jersey Department of Environmental Protection (the “State”), the BORROWER (as hereinafter defined) and U.S. Bank National Association, a national banking association duly organized and validly existing under the laws of the United States of America, as Escrow Agent (the “Escrow Agent”);

WITNESSETH THAT:

WHEREAS, the Borrower is undertaking to obtain loans from both the Trust and the State (a “Trust Loan” and “Fund Loan,” respectively) under the “State Fiscal Year 2015 New Jersey Environmental Infrastructure Financing Program”; and

WHEREAS, as one of the preconditions to the making of such Trust Loan and Fund Loan, the Trust and the State are requiring that the Borrower execute and attest the loan agreements required in connection with such loans, and produce validly executed and attested bonds evidencing such loans, prior to the Trust undertaking to publish the notice of sale for the bonds it intends to issue to fund the Trust Loan (the “Trust Bonds”).

NOW, THEREFORE, for and in consideration of the mutual duties, covenants, obligations and agreements set forth herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Appointment of Escrow Agent

For the purposes and subject to the terms and conditions set forth in this Escrow Agreement, the Trust, the State and the Borrower hereby agree to the appointment of U.S. Bank National Association, as Escrow Agent, and the Escrow Agent hereby accepts such appointment. The Escrow Agent agrees to act as agent for the Trust, the State and the Borrower and shall possess and administer the Escrowed Documents (as defined in Section 2 hereof) in accordance with the instructions set forth in this Escrow Agreement. Certain capitalized terms used herein shall have the meanings ascribed to such terms in Schedule A attached hereto and made a part hereof. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in both the Trust Loan Agreement and the Fund Loan Agreement (as hereinafter defined).

2. Escrowed Documents

On the date hereof, the Trust, the State and the Borrower have jointly delivered the following documents (together with the Borrower's counsel opinions referred to in this Section 2, the "Escrowed Documents") to the Escrow Agent in the respective forms described below:

(a) a fully authorized, executed and attested loan agreement with respect to the Fund Loan by and between the State and the Borrower, which will be dated as of May 1, 2015 (the "Fund Loan Agreement"), which Fund Loan Agreement is true, accurate and complete in all respects, except for (1) Exhibit A-2 thereto with respect to the principal amount of and the semiannual principal repayment schedule for the Fund Loan to be made under the Fund Loan Agreement and (2) to the extent the Borrower requests and the State and the Trust consent to an adjustment to the principal amount of the Fund Loan prior to the bid blackout date, which is the date of Borrower's escrow closing, then also except for the principal amount of the Fund Loan and the corresponding changes to Exhibits B and C thereto (which Exhibit A-2 and if applicable, which Fund Loan principal amount shall be provided to the Escrow Agent by the Trust pursuant to Section 3 hereof);

(b) a fully authorized, executed and attested bond of the Borrower to the State (the "Fund Loan Bond"), which will be dated the date of the Trust Loan Bond (as hereinafter defined), evidencing the Fund Loan to be made by the State to the Borrower under the Fund Loan Agreement, which Fund Loan Bond has been so authorized, executed and attested by the Borrower (but not delivered) pursuant to the Borrower's Bond Resolution, and which Fund Loan Bond is true, accurate and complete in all respects except as to its date and if applicable in accordance with Section 2(a)(2) hereof, except as to its principal amount (which date and if applicable, which Fund Loan principal amount shall be provided to the Escrow Agent by the Trust and placed on the Fund Loan Bond by a representative of the Borrower in the presence of the Escrow Agent and the State pursuant to Section 3 hereof);

(c) a fully authorized, executed and attested loan agreement with respect to the Trust Loan by and between the Trust and the Borrower, which will be dated as of May 1, 2015, (the "Trust Loan Agreement"), which Trust Loan Agreement is true, accurate and complete in all respects, except for Exhibit A-2 thereto with respect to the

principal amount of and the Trust Bond Loan Repayments (as defined in the Trust Loan Agreement) schedule for the Trust Loan to be made under said Trust Loan Agreement and if applicable in accordance with Section 2(a)(2) hereof, except as to the corresponding changes to Exhibits B and C thereto (which Exhibit A-2 (including the Trust Loan principal amount) shall be provided to the Escrow Agent by the Trust pursuant to Section 3 hereof); and

(d) a fully authorized, executed and attested bond of the Borrower to the Trust (the "Trust Loan Bond"), which will be dated the dated date of the Trust Bonds, evidencing the Trust Loan to be made by the Trust to the Borrower under the Trust Loan Agreement, which Trust Loan Bond has been so authorized, executed and attested by the Borrower (but not delivered) pursuant to the Borrower's Bond Resolution, and which Trust Loan Bond is true, accurate and complete in all respects except as to its date, principal amount and Trust Bond Loan Repayments schedule (which date, amount and schedule shall be provided to the Escrow Agent by the Trust and placed on the Trust Loan Bond by a representative of the Borrower in the presence of the Escrow Agent and the Trust pursuant to Section 3 hereof).

An opinion of each of the Borrower's bond and general counsel, which opinions shall each be in substantially similar form to the opinions set forth in Exhibit A hereto, shall also be delivered on the date hereof to the Escrow Agent.

In addition to the foregoing, the Borrower shall complete, execute and deliver to the Escrow Agent on the date hereof (1) a "Federal Funds Accountability and Transparency Act Form", and (2) a "Clean Water Benefits Reporting Form" or "DWSRF Project and Benefits Reporting Form", as applicable, each in the form included in Exhibit G to each of the trust Loan Agreement and the Fund Loan Agreement.

The Escrow Agent shall hold the Escrowed Documents for release and delivery, or cancellation, pursuant to the terms and conditions of this Escrow Agreement.

3. Release of Escrowed Documents

On May 21, 2015 at 9:30 a.m. at the office of bond counsel to the Trust, or such other date or time that may be agreed upon by the Trust, the State and the Borrower and of which the Escrow Agent is notified in writing by the Trust (the "Loan Closing"), the Escrow Agent shall (1) release the Escrowed Documents from escrow and (2) simultaneously with the closing of the Trust Bonds, deliver (A) to the Trust, the Trust Loan Agreement and the Trust Loan Bond, and (B) to the State, the Fund Loan Agreement and the Fund Loan Bond, such release and delivery being subject *only* to receipt by the Escrow Agent of all of the following items as conditions precedent thereto:

(a) Exhibit A-2 to each of the Trust Loan Agreement (which shall include the insertion of the principal amount of the Trust Loan) and the Fund Loan Agreement (which shall include the insertion of the principal amount of the Fund Loan), each completed in its entirety and if applicable in accordance with Section 2(a)(2) hereof, the

revised Trust Loan and Fund Loan principal amounts and the corresponding changes to Exhibits B and C thereto;

(b) a written certification of the Trust setting forth (1) the date, principal amount and Trust Bond Loan Repayments schedule for the Trust Loan Bond necessary to complete in its entirety the Trust Loan Bond, which date, amount and schedule shall be placed upon the Trust Loan Bond by a representative of the Borrower in the presence of the Escrow Agent and the Trust while the Trust Loan Bond is held in escrow by the Escrow Agent, (2) the date and if applicable in accordance with Section 2(a)(2) hereof, the principal amount for the Fund Loan Bond necessary to complete in its entirety the Fund Loan Bond, which date and if applicable, amount shall be placed upon the Fund Loan Bond by a representative of the Borrower in the presence of the Escrow Agent and the State while the Fund Loan Bond is held in escrow by the Escrow Agent, and (3) a determination by the Trust as to which 2015 Series of Trust Bonds, insured, uninsured or otherwise, will finance the Trust Loan;

(c) a written certification of the Trust acknowledging receipt by the Trust of the following:

(i) the opinions of bond and general counsels to the Borrower and, if applicable, the certificates of the Borrower with respect to liability insurance coverage, as required under Section 3.06(d) of the Trust Loan Agreement and Section 3.06(c) of the Fund Loan Agreement;

(ii) copies of those ordinances and resolutions finally adopted by the governing body of the Borrower and requested by the Trust and/or the State, including, without limitation, (A) the resolution of the Borrower authorizing the execution, attestation and delivery of the Trust Loan Agreement, the Fund Loan Agreement and this Escrow Agreement, (B) the Borrower's Bond Resolution, as amended and supplemented as of the date of the Loan Closing, authorizing the execution, attestation, sale and delivery of the Trust Loan Bond to the Trust and the Fund Loan Bond to the State, (C) the resolution of the Borrower confirming the details of the sale of the Trust Loan Bond to the Trust and the Fund Loan Bond to the State, (D) the resolution of the Borrower, if any, declaring its official intent to reimburse expenditures for the Costs of the Project from the proceeds of the Trust Bonds, each of said ordinances and resolutions of the Borrower being certified by an Authorized Officer of the Borrower as of the date of the Loan Closing, (E) the resolution of the Local Finance Board in the Division of Local Government Services in the New Jersey Department of Community Affairs (the "Local Finance Board") approving the issuance by the Borrower of the Trust Loan Bond to the Trust and the Fund Loan Bond to the State and setting forth any other approvals required therefor by the Local Finance Board, and (F) any other Proceedings;

(iii) a certificate of the Borrower in the form attached as Exhibit B hereto stating to the satisfaction of the Trust that the Borrower will be able to meet the available funds requirement under Section 3.02(b) of the Trust Loan Agreement prior to the first anticipated disbursement of proceeds of the Trust Loan, as set forth in Exhibit C to the Trust Loan Agreement;

(iv) the Trust Loan Bond;

(v) a certificate of the Borrower either (A) in the form attached as Exhibit G-1 hereto stating to the satisfaction of the Trust that (i) the Borrower will use a portion of the proceeds of the Trust Loan to reimburse the Borrower for expenditures paid by it prior to the Loan Closing for Costs of the Project, and (ii) such reimbursements comply with the various provisions of the Treasury Regulations as defined and set forth therein, or (B) in the form attached as Exhibit G-2 hereto stating to the satisfaction of the Trust that no portion of the proceeds of the Trust Loan will be used by the Borrower to reimburse the Borrower for expenditures paid by it prior to the Loan Closing for Costs of the Project; and

(vi) any additional items identified in Section 3(c)(vi) of Schedule A attached hereto and made part hereof.

(d) a copy of the written certification of the Trust to the Borrower that the following actions shall take place simultaneously with the release and delivery of the Escrowed Documents:

(i) the authentication and delivery by U.S. Bank National Association, as trustee, of the Trust Bonds pursuant to Section 2.03 of the Bond Resolution (as defined in the Trust Loan Agreement and sometimes referred to herein as the “Trust Bond Resolution”); and

(ii) the deposits to the Project Fund, the Debt Service Fund, the Operating Expense Fund, the Rebate Fund and the Debt Service Reserve Fund (as defined in the Trust Bond Resolution) as may be required to be made pursuant to Section 2.03 of the Trust Bond Resolution;

(e) copies of (1) the authorizations by the New Jersey State Legislature of the expenditure of funds by the Trust for the Trust Loan, (2) the appropriations by the New Jersey State Legislature of funds in the applicable State Fund (as defined in the Fund Loan Agreement) to the Trust for the Debt Service Reserve Fund and to the State for the Fund Loan, (3) the Governor’s approval of (1) and (2) of this subsection (e), (4) the approval of the New Jersey State Legislature, by concurrent resolution, of the “Fiscal Year 2015 Financial Plan” of the Trust, (5) the award of federal funds under a fully executed State revolving fund capitalization grant agreement between the State and the United States Environmental Protection Agency pursuant to the Water Quality Act of 1987 and the Safe Drinking Water Act of 1996 and the requisite “State Match”, (6) the letters of each of the Governor and the New Jersey State Treasurer, pursuant to N.J.S.A. 58:11B-4(j), approving the adoption of the Trust Bond Resolution, (7) the “Certificate of the New Jersey State Treasurer Regarding the Approval of the Trust Loan and the Fund Loan” in satisfaction of the requirements of Section 9a of the Act, and (8) such other appropriations, resolutions, authorizations, consents or approvals as may be required in order to undertake and complete the “State Fiscal Year 2015 New Jersey Environmental Infrastructure Financing Program”; and

(f) a written certification of the Trust acknowledging receipt by the State of the Fund Loan Bond.

Failure of the Escrow Agent to so release and deliver any one of the Escrowed Documents after satisfaction of the above-mentioned conditions shall be considered a failure to release and deliver all of the Escrowed Documents.

4. Cancellation of Escrowed Documents

In the event that any of the conditions precedent to the release of the Escrowed Documents set forth in Section 3 hereof shall remain unsatisfied for any reason as of the Loan Closing or if the Escrowed Documents are not released and delivered as of the Loan Closing, the Escrow Agent shall on said date mark the Escrowed Documents "CANCELED", and shall return (1) the Trust Loan Bond and the Fund Loan Bond to the Borrower, (2) the Trust Loan Agreement to the Trust, and (3) the Fund Loan Agreement to the State. The Trust and the State hereby acknowledge that upon receipt of said agreements marked "CANCELED" the obligations of the Borrower thereunder are without effect.

5. Modifications to Loan Agreements

The Trust, the State and the Borrower acknowledge that, in connection with (1) the sale, issuance and delivery of the Trust Bonds and (2) any Fund Loans funded with the proceeds of any State Bonds (as may be defined in the Fund Loan Agreement) hereafter issued by the State, it may be necessary, subsequent to the date hereof and prior to the Loan Closing, to modify the Trust Loan Agreement and the Fund Loan Agreement for the purposes set forth, respectively, in Sections 2.02(o) thereof, including, without limitation, for the purpose of assuring that the interest on the Trust Bonds and the State Bonds is not includable in gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. In such event, the Trust and, if applicable, the State will make such modifications by amending Exhibit F to the Trust Loan Agreement and, if applicable, the Fund Loan Agreement and delivering the amended Exhibit F to the Borrower and the Escrow Agent on or prior to the Loan Closing.

Any modifications to the Trust Loan Agreement and the Fund Loan Agreement by amending Exhibit F thereto pursuant to this Section 5 shall not affect in any way the Borrower's covenant and agreement made in Section 2.02(e)(i) of each of the Trust Loan Agreement and, if applicable, the Fund Loan Agreement.

6. Liability of Escrow Agent

The Escrow Agent shall have no duties or responsibilities as Escrow Agent under this Escrow Agreement other than those expressly set forth herein, and shall have no duty to enforce any obligation of any person to perform any act. The Escrow Agent may rely conclusively and shall be protected in acting upon any order, notice, demand, direction, certificate, opinion and advice of counsel (including counsel selected by the Escrow Agent), statement, instrument, report or other instrument or document (not only as to its due execution and the validity and effectiveness thereof, but also as to the truth and accuracy of any information therein contained) that is believed by the Escrow Agent to be genuine and to be signed by the proper person.

The Escrow Agent agrees that it (1) shall be responsible to the State, the Trust and the Borrower for the proper and faithful observance and performance of the duties, covenants, obligations and agreements required of it pursuant hereto, for the fidelity and integrity of its officers, employees and agents employed in any undertaking hereunder, and for any and all loss or damage that may result from any failure to observe and perform or from any improper or incorrect observance or performance of its duties, covenants, obligations and agreements hereunder, and (2) shall save harmless the State, the Trust and the Borrower, or any trustee, employee or officer thereof, from any and all loss or damage caused thereby, except in the event of loss or damage resulting from their own negligence or willful misconduct.

7. Acknowledgments and Liability of Borrower

Based upon the Borrower's execution and delivery into escrow of the Trust Loan Agreement and the Fund Loan Agreement in accordance with the terms hereof and further based upon the Borrower's execution, attestation and delivery of this Escrow Agreement, the Borrower has irrevocably committed to borrow (1) from the Trust, the Trust Loan Amount, pursuant to the terms and conditions of the Trust Loan Agreement, and (2) from the State, the Fund Loan Amount, pursuant to the terms and conditions of the Fund Loan Agreement. Notwithstanding the foregoing, the Trust Loan Amount and the Fund Loan Amount may only be changed subsequent to the date hereof in accordance with Section 2(a)(2) hereof.

The Borrower acknowledges (1) that the Trust and the State are relying upon the Borrower's execution and attestation of the Escrowed Documents and related execution, attestation and delivery of this Escrow Agreement, as well as the execution of the commitment letters set forth as Exhibit A hereto (delivered to the Trust and the State on the date hereof) relating to the delivery of the opinions required to close the Trust Loan and the Fund Loan; (2) that such reliance by the Trust is the basis upon which the Trust will determine the aggregate principal amount of, and undertake all actions necessary to issue, the Trust Bonds; (3) that, in consideration of (1) and (2) above, the Trust has tentatively scheduled the mailing of the Preliminary Official Statement for the Trust Bonds on or about April 27, 2015, the initial publication of its Notice of Sale for the Trust Bonds on or about April 27, 2015, and the sale of the Trust Bonds on or about May 6, 2015; (4) that the aggregate principal amount of and the interest payable on that portion of the Trust Loan set forth in Exhibit A-2 to the Trust Loan Agreement shall be based upon and reflect, among other things, the interest rate on the Trust Bonds established at the sale thereof; and (5) that the Trust's ability to make the Trust Loan at the rate so established, and the State's ability to make the Fund Loan, are subject to and dependent upon the release and delivery of the Escrowed Documents pursuant to Section 3 hereof.

The Borrower agrees that, subject to the provisions of the immediately succeeding sentence, in the event the Escrow Agent shall fail to release and deliver or shall cancel the Escrowed Documents for any reason (including, but not limited to, the failure of the Borrower to satisfy any of the preconditions to its due authorization, execution, attestation and delivery of the Trust Loan Bond or the Fund Loan Bond or the failure of general counsel or bond counsel to the Borrower to deliver its respective opinion required in connection with the closing of the Trust Loan or the Fund Loan), the Borrower shall be responsible to the Trust, the State and the Borrowers for any and all expenses, losses or damages, monetary and otherwise (including, but

not limited to, all costs of issuance and all legal costs of the Trust, the State and the Borrowers incurred in connection with the Trust's proposed bond issue to fund the Trust Loan and the proposed making of the Trust Loan and the Fund Loan for financing a portion of the Costs of the Borrower's environmental infrastructure project), to the Trust, the State and the Borrowers, respectively, arising from such failure or cancellation. Notwithstanding the provisions of the immediately preceding sentence to the contrary, in the event that the Escrow Agent shall fail to release and deliver or shall cancel the Escrowed Documents and such failure or such cancellation is the result of the gross negligence or willful misconduct of the Trust, the Borrower shall not be responsible to the Trust or the State for any expenses, losses or damages, monetary or otherwise, incurred by the Trust or the State, respectively, and arising as a result of such failure or such cancellation, and such expenses, losses or damages, monetary or otherwise, of the Trust and the State, respectively, shall be the sole responsibility of the Trust; provided, however, that in the event of such failure or such cancellation as a result of the gross negligence or willful misconduct of the Trust, the Borrower shall remain responsible for its own expenses, losses or damages, monetary or otherwise (including, but not limited to, all costs of issuance and all legal costs of the Borrower incurred in connection with the Trust's proposed bond issue to fund the Trust Loan and the proposed making of the Trust Loan and the Fund Loan for financing a portion of the Costs of the Borrower's environmental infrastructure project). The Borrower's obligation under this paragraph shall be continuing notwithstanding such failure or cancellation by the Escrow Agent.

Notwithstanding the foregoing, nothing herein shall prevent the Borrower from pursuing any claims, including any claims the Trust or the State may have, against any third party for any default, cancellation or failure to perform under this Escrow Agreement; *provided, however*, that no such claim of the Trust or the State may be pursued by the Borrower without the express written consent of the Trust or the State, respectively, which consent shall not be unreasonably withheld.

8. Escrow Agent's Compensation

The Trust shall pay the Escrow Agent a total fee for the services performed under this Escrow Agreement in accordance with the terms of the Escrow Agent's proposal to the Trust dated April 9, 2013 and the Trust's Resolution 13-34 adopted on June 13, 2013 to accept such proposal, subject to the execution, attestation and delivery of this Escrow Agreement.

9. Miscellaneous Trust and State Requirements

(a) Covenant of Non-Collusion. The Escrow Agent warrants and represents that this Escrow Agreement has not been solicited or prepared, directly or indirectly, in a manner contrary to the laws of the State of New Jersey or the United States of America, and that said laws have not been violated and shall not be violated as they relate to the procurement or the performance of this Escrow Agreement by any conduct, including the paying or giving of any fee, commission, compensation, gift, gratuity or consideration of any kind, directly or indirectly, to any federal, State or local government employee, officer or official or any special State officer as defined in N.J.S.A. 52:13D-13.

(b) Covenant Against Contingent Fees. The Escrow Agent warrants and represents that no person or selling agency has been employed or retained to solicit or secure this Escrow Agreement upon any agreement or understanding for a commission, percentage or brokerage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Escrow Agent for the purpose of securing business.

(c) Non-Discrimination. During the performance of this Escrow Agreement, the Escrow Agent warrants and represents that:

(i) the Escrow Agent will comply with all applicable federal, state and local anti-discrimination laws, including those found at N.J.S.A. 10:2-1 through 10:2-4 and N.J.S.A. 10:5-31 through 10:5-38, as well as all rules and regulations issued thereunder;

(ii) the Escrow Agent will comply with any applicable affirmative action program approved by the Treasurer of the State of New Jersey;

(iii) the Escrow Agent will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status or sex. The Escrow Agent will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status or sex. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Escrow Agent agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. The Escrow Agent shall insert a similar provision in any subcontract for performance of services within the scope of this Escrow Agreement;

(iv) the Escrow Agent will, in all solicitations or advertisements for employees placed by or on behalf of the Escrow Agent, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status or sex; and

(v) the Escrow Agent will send to each labor union or representative of workers with which the Escrow Agent has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' representative of the Escrow Agent's commitments under this Escrow Agreement, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) Confidentiality. Unless otherwise specified in this Escrow Agreement, the Escrow Agent shall not publish, permit to be published, distribute, use or disclose to any person any information that the Escrow Agent acquires in the performance of this Escrow

Agreement, except with the prior written consent of the Trust, the State and the Borrower.

10. Useful Life of Project Financed with Trust Loan

The Borrower represents that the useful life of the Project to be financed with the Trust Loan, as set forth in the certificate of the Borrower's consulting engineer (in the form attached as Exhibit D hereto), exceeds the maturity date of the Borrower Bond to the Trust.

11. Defaults With Respect to Debt Obligations of Borrower

The Borrower represents and warrants that, since December 31, 1975 and as of the date hereof, the Borrower has not been, and is not now, in default in the payment of the principal of or interest on any of its bonds, notes or other debt obligations.

12. Amendments, Waiver and Discharge

Neither this Escrow Agreement nor any term hereof may be amended, waived, discharged or terminated except by a writing signed by each of the parties hereto.

13. Binding Effect

All of the terms of this Escrow Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective parties hereto and their respective permitted successors and assigns, whether or not so expressed; *provided, however*, that none of the Trust, the State, the Borrower or the Escrow Agent may transfer, assign or pledge its respective duties, covenants, obligations and agreements hereunder without the prior written consent of each of the other parties hereto.

14. Governing Law

This Escrow Agreement shall be construed in accordance with and governed by the laws of the State of New Jersey. The Escrow Agent shall, in the performance of this Escrow Agreement, comply with all New Jersey and federal laws, rules and regulations applicable to this Escrow Agreement and to the services to be provided hereunder. All contract claims under this Escrow Agreement shall be subject to and governed by the provisions of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 *et seq.*).

15. Captions

Captions are used herein for convenience only, and shall not be construed as part of this Escrow Agreement.

16. Separability

Each provision of this Escrow Agreement shall be considered separable. If for any reason any provision that is not essential to the effectuation of the basic purposes hereof is

determined to be invalid or contrary to existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Escrow Agreement that are valid.

17. Notices

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the Borrower at the address in Section 17(d) of Schedule A attached hereto and made part hereof, and to the Trust, the State and the Escrow Agent, at the following addresses:

(a) Trust:

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

(b) State:

New Jersey Department of Environmental Protection
Municipal Finance and Construction Element
401 East State Street – 3rd Floor
Trenton, New Jersey 08625-0425
Attention: Assistant Director

New Jersey Department of the Treasury
Office of Public Finance
State Street Square – 5th Floor
Trenton, New Jersey 08625-0002
Attention: Director

(c) Escrow Agent:

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

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent by giving written notice to each of the other parties hereto.

18. Certain Additional Provisions

Additional defined terms, covenants and requirements have been included in Schedule A attached hereto and made a part hereof. Such additional defined terms, covenants and requirements are incorporated in this Escrow Agreement by reference thereto as if set forth in

full herein and the Borrower hereby agrees to observe and comply with each such additional term, covenant and requirement included in Schedule A as if the same were set forth in its entirety where reference thereto is made in this Escrow Agreement.

19. Counterparts

This Escrow Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Escrow Agreement to produce or account for more than one of such counterparts, which together shall constitute but one and the same agreement.

IN WITNESS WHEREOF, each of the parties hereto by its duly authorized representative has executed, sealed if applicable, and delivered this Escrow Agreement on the date first written above.

**NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE TRUST**

[SEAL]

By: _____
Warren H. Victor
Chairman

ATTEST:

David E. Zimmer
Assistant Secretary

**THE STATE OF NEW JERSEY
ACTING BY AND THROUGH THE
NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION**

[SEAL]

By: _____
Name
Title

ATTEST:

Name
Title

[SEAL]

[BORROWER]

ATTEST:

Authorized Officer

By: _____
Authorized Officer

ATTEST:

**U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent**

Name
Title

By: _____
Name
Title

SCHEDULE A
CERTAIN ADDITIONAL ESCROW AGREEMENT PROVISIONS

EXHIBIT A

**COMMITMENT LETTERS OF BORROWER'S
BOND COUNSEL AND GENERAL COUNSEL**

[LETTERHEAD OF BORROWER'S BOND COUNSEL/GENERAL COUNSEL]

[Date of Escrow Closing]

New Jersey Environmental Infrastructure Trust
Lawrenceville, New Jersey 08648-2201

New Jersey Department of Environmental Protection
Trenton, New Jersey 08625

New Jersey Department of the Treasury
Trenton, New Jersey 08625

RE: [Name of Borrower]
Application for Loans from New Jersey Environmental Infrastructure Trust and State of
New Jersey; State Fiscal Year 2015 New Jersey Environmental Infrastructure Financing
Program

Ladies and Gentlemen:

In our capacity as [bond] [general] counsel to the [Name of Borrower] (the "Borrower"), we have reviewed (i) a copy of the authorized, executed and attested loan agreement (the "Trust Loan Agreement") to be delivered to the New Jersey Environmental Infrastructure Trust (the "Trust") and (ii) an authorized, executed and attested general obligation bond of the Borrower to be delivered to the Trust (the "Trust Loan Bond"), each exclusive of the principal and partial interest repayment schedule applicable thereto, for and evidencing a loan from the Trust in connection with the captioned program (the "Program"). We have also reviewed (i) a copy of the authorized, executed and attested loan agreement (the "Fund Loan Agreement", and together with the Trust Loan Agreement, the "Loan Agreements") to be delivered to the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the "State"), and (ii) an authorized, executed and attested general obligation bond of the Borrower to be delivered to the State (the "State Loan Bond", and together with the Trust Loan Bond, the "Borrower Bonds"), each exclusive of the principal repayment schedule applicable thereto, for and evidencing a loan from the State in connection with the Program. We understand that these Loan Agreements and Borrower Bonds will be placed in escrow on the date hereof and will be released from escrow in completed form and delivered to the Trust and the State, respectively, on the date of closing on the Trust's bond issue for the Program, which is estimated to occur on or about May 21, 2015 (the "Loan Closing").

We have also reviewed a copy of the Escrow Agreement dated the date hereof by and among the Trust, the State, the Borrower and U.S. Bank National Association, as Escrow Agent (the "Escrow Agreement"), which sets forth the terms and conditions upon which the Escrowed Documents (as defined in the Escrow Agreement) shall be released and delivered, or canceled.

Based upon the foregoing, we are of the opinion that the Escrow Agreement has been duly and validly authorized by the Borrower and executed, attested and delivered by the authorized officers of the Borrower; and assuming that the Trust, the State and the Escrow Agent

New Jersey Environmental Infrastructure Trust
New Jersey Department of Environmental Protection
New Jersey Department of Treasury
[Date of Escrow Closing]

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each has the requisite power and authority to authorize, execute, attest and deliver, and each has duly and validly authorized, executed, attested and delivered, the Escrow Agreement, the Escrow Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforcement thereof may be limited or modified by bankruptcy, insolvency or other laws or legal or equitable principles affecting the enforcement of creditors' rights and remedies.

In addition, based upon our review of such information, certificates of the Borrower, statutes and other matters of law as we deem relevant, we are of the opinion that, as of the date hereof, there exist on the part of the Borrower no legal impediments to the release and delivery of the Escrowed Documents at the Loan Closing pursuant to the provisions of the Escrow Agreement or to the delivery of our opinions in favor of the Trust and the State at such time, substantially in the forms attached hereto as Exhibit A and Exhibit B, as required by Section 2.02 of each of the Trust Loan Agreement and the Fund Loan Agreement, respectively.

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

Very truly yours,

Exhibit A

[ATTACH FORM OF APPROPRIATE BORROWER BOND COUNSEL OR GENERAL COUNSEL OPINION]

Note: Exhibit E to the Trust Loan Agreement may be divided between the Borrower bond counsel and general counsel so long as when the two opinions are taken together the entire Exhibit E opinion is rendered.

Exhibit B

[ATTACH FORM OF APPROPRIATE BORROWER BOND COUNSEL OR GENERAL COUNSEL OPINION]

Note: Exhibit E to the Fund Loan Agreement may be divided between the Borrower bond counsel and general counsel so long as when the two opinions are taken together the entire Exhibit E opinion is rendered.

EXHIBIT B

CERTIFICATE AS TO AVAILABLE FUNDS

I, [_____], an authorized representative of the [NAME OF BORROWER], a [municipal corporation duly created and validly existing under the laws of the State of New Jersey, located in the County of [_____]] [political subdivision duly created and validly existing under the laws of the State of New Jersey], and herein referred to as the “Borrower”, **HEREBY CERTIFY** that the Borrower will be able to meet the available funds requirement under Section 3.02(b) of the Loan Agreement by and between the Borrower and the New Jersey Environmental Infrastructure Trust dated as of May 1, 2015 (the “Loan Agreement”) prior to the first anticipated disbursement of proceeds pursuant to Exhibit C of the Loan Agreement.

IN WITNESS WHEREOF, I have hereunto set my hand on May 21, 2015.

[NAME OF BORROWER]

By: _____

Name:

Title:

EXHIBIT C-1

[RESERVED]

EXHIBIT C-2

[RESERVED]

EXHIBIT C-3

[RESERVED]

EXHIBIT D
LETTER OF CONSULTING ENGINEER

[LETTERHEAD OF CONSULTING ENGINEER]

[Date of Escrow Closing]

Re: New Jersey Environmental Infrastructure Trust
State Fiscal Year 2015 Financing Program
Project No. [_____]

New Jersey Environmental Infrastructure Trust
3131 Princeton Pike
Building 4, Suite 216
Lawrenceville, New Jersey 08648

Dear Trust Members:

I am acting as consulting engineer for the [Name of Borrower] with respect to the above-referenced environmental infrastructure system project, a portion of the Costs of which is to be financed by a loan from the New Jersey Environmental Infrastructure Trust expected to close on or about May 21, 2015 (the "Loan Closing").

As such, I am familiar with the plans and specifications of the environmental infrastructure system project, and I hereby certify that (i) the building cost of such project is a reasonable and accurate estimation thereof and (ii) the useful life of such project exceeds [twenty (20)] years from the expected date of the Loan Closing.

[NAME OF ENGINEERING FIRM]

By: _____

Name:

Title:

EXHIBIT E
[RESERVED]

EXHIBIT F
[RESERVED]

EXHIBIT G-1

CERTIFICATE REGARDING REIMBURSEMENTS

I, [_____], an authorized representative of the [NAME OF BORROWER] (the "Borrower"), a [municipal corporation duly created and validly existing under the laws of the State of New Jersey, located in the County of [_____]] [political subdivision duly created and validly existing under the laws of the State of New Jersey], **DO HEREBY CERTIFY** the following:

A portion of the proceeds of the loan (the "Trust Loan") made by the New Jersey Environmental Infrastructure Trust (the "Trust") to the Borrower out of the proceeds of the Trust's Environmental Infrastructure Bonds, Series 2015[___] (the "Trust Bonds"), in accordance with the Loan Agreement dated as of May 1, 2015 by and between the Trust and the Borrower (the "Loan Agreement"), will be used to reimburse the Borrower for expenditures paid prior to the date hereof for Costs of the Project (as such terms are defined in the Loan Agreement), such expenditures being more fully described in Schedule A attached hereto. With respect to such reimbursements:

(a) All allocations of the proceeds of the Trust Bonds and the Trust Loan to the reimbursement of expenditures for Costs of the Project made prior to the issuance of the Trust Bonds satisfy the criteria set forth in either clauses (i), (ii) or (iii) [circle one or more as applicable]:

(i) The Costs of the Project to be reimbursed were paid by the Borrower (A) subsequent to [DATE] (the date of adoption of a Declaration of Official Intent, as hereinafter defined) or (B) not more than 60 days prior to the date of adoption of the Declaration of Official Intent with equity of the Borrower as advances in anticipation of long-term tax-exempt financing by the Trust, as provided in a resolution declaring the Borrower's official intent in accordance with Treasury Regulations §1.150-2 (or Treasury Regulations §1.103-18(f), if adopted by the Borrower between January 27, 1992 and June 30, 1993) (the "Declaration of Official Intent");

(ii) The Costs of the Project to be reimbursed were paid by the Borrower for "preliminary expenditures" (within the meaning of Treasury Regulations §150-2(f)(2)) including architectural, engineering, surveying, soil testing, reimbursement bond issuance and similar costs that were incurred prior to commencement of construction, rehabilitation or acquisition of the Project, other than land acquisition, site preparation and similar costs incident to commencement of construction, which do not exceed 20 percent of the issue price of the Trust Loan that finances the Project; or

(iii) The Costs of the Project to be reimbursed were paid by the Borrower prior to March 3, 1992 and after September 8, 1989 for which there is objective evidence that, at the time the expenditure was paid, the Borrower expected to reimburse the expenditure with the proceeds of a borrowing, and because of the timing of the expenditure and such objective evidence, a basis exists for reimbursement under Treasury Regulations §1.150-

2 independent of the official intent requirement described in clause (i) above or the preliminary expenditure exception described in clause (ii) above.

(b) On the date of the Declaration of Official Intent, in the case of reimbursements described in clause (i) of paragraph (a) above, or the date of payment, in the case of reimbursements described in clause (iii) of paragraph (a) above, the Borrower had a reasonable expectation (within the meaning of Treasury Regulations §1.150-2(e)) that it would reimburse the equity it advanced with the proceeds of a borrowing of debt obligations.

(c) All reimbursement allocations, other than reimbursement allocations for “preliminary expenditures” (as described in clause (ii) of paragraph (a) above), will occur not later than 18 months after the later of (i) the date on which the expenditure is paid or (ii) the date the Project is “placed in service” (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

(d) No reimbursement allocation will employ an “abusive arbitrage device” under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Internal Revenue Code of 1986, as amended (the “Code”).

(e) The proceeds of the Trust Bonds used to reimburse the Borrower for Costs of the Project, or funds corresponding to such amounts, will not be used in a manner that results in the creation of “replacement proceeds”, including “sinking funds”, “pledged funds” or funds subject to a “negative pledge” (as such terms are defined in Treasury Regulations §1.148-1), of the Trust Bonds or another issue of debt obligations, other than amounts deposited into a “bona fide debt service fund” (as defined in Treasury Regulations §1.148-1).

(f) The Costs of the Project to be reimbursed with the proceeds of the Trust Bonds will be “capital expenditures” within the meaning of Treasury Regulations §1.150-1(b).

IN WITNESS WHEREOF, I have hereunto set my hand on May 21, 2015.

[NAME OF BORROWER]

By: _____

Name:

Title:

SCHEDULE A

[Description of Expenditures Being Reimbursed]

EXHIBIT G-2

CERTIFICATE REGARDING NO REIMBURSEMENTS

I, [_____], an authorized representative of the [NAME OF BORROWER] (the "Borrower"), a [municipal corporation duly created and validly existing under the laws of the State of New Jersey, located in the County of [_____]] [political subdivision duly created and validly existing under the laws of the State of New Jersey], **DO HEREBY CERTIFY** the following:

No portion of the proceeds of the loan made by the New Jersey Environmental Infrastructure Trust (the "Trust") to the Borrower out of the proceeds of the Trust's Environmental Infrastructure Bonds, Series 2015[___], in accordance with the Loan Agreement dated as of May 1, 2015 by and between the Trust and the Borrower (the "Loan Agreement"), will be used to reimburse the Borrower for expenditures paid prior to the date hereof for Costs of the Project (as such terms are defined in the Loan Agreement).

IN WITNESS WHEREOF, I have hereunto set my hand on May 21, 2015.

[NAME OF BORROWER]

By: _____
Name:
Title: