

**THE ESSEX COUNTY IMPROVEMENT AUTHORITY
(Essex County, New Jersey)
\$14,300,000 Property and Equipment Leasing Program
County Guaranteed Pooled Revenue Bonds, Series 1992A**

BOND PURCHASE AGREEMENT

September 23, 1992

The Essex County Improvement Authority
125 Passaic Avenue
Fairfield, New Jersey 07004

Ladies and Gentlemen:

The undersigned (the "Underwriters") hereby offer to enter into this Bond Purchase Agreement (the "Purchase Agreement") with The Essex County Improvement Authority (the "Authority") for the purchase by the Underwriters and sale by the Authority of the Bonds specified below. This offer is made subject to acceptance by the Authority prior to 9:00 p.m., New York City time, on the date hereof, and upon such acceptance this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Authority and the Underwriters. Each capitalized term used in this Purchase Agreement and not otherwise defined herein shall have the meaning given to such term in the Official Statement of the Authority dated September 23, 1992 (the "Official Statement").

A.G. Edwards & Sons, Inc. (the "Representative") has been duly authorized to execute this Purchase Agreement on behalf of the Underwriters and has been duly authorized to act hereunder by and on behalf of the Underwriters.

1. Purchase and Sale.

a. Upon the terms and conditions and upon the basis of the representations, warranties and covenants herein set forth and the representations, warranties and covenants of each Borrower (as defined herein) set forth in its respective Letter of Representations as referred to in Paragraph 4(t) hereof, the Underwriters, jointly and severally, hereby agree to purchase from the Authority, and the Authority hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the Authority's Property and Equipment Leasing Program County Guaranteed Pooled Revenue Bonds, Series 1992A in the aggregate principal amount of \$14,300,000 (the "Bonds") plus accrued interest thereon from September 15, 1992 to the date of the Closing (as defined herein). Simultaneously with the payment by the Underwriters of the purchase price for the Bonds, the Authority shall pay or caused to be paid to the Underwriters, in immediately available funds, the amount of

\$_____, which represents the fee for underwriting services provided by the Underwriters.

b. The proceeds of the Bonds will be applied by United Jersey Bank, Hackensack, New Jersey, as trustee for the holders of the Bonds (the "Trustee") to (i) the purchase of four series of "Property and Equipment Leasing Program Local Unit Guaranteed Lease Revenue Bonds, Series 1992" of the Authority (the "Authority Local Unit Bonds") and one series of general obligation bonds of the Board of Education of the Township of Nutley (the "Nutley Board Bonds", and together with the Authority Local Unit Bonds, the "Local Unit Bonds") in the aggregate principal amount of \$_____ and (ii) the payment of accrued interest on the Bonds. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the Authority's "Resolution Authorizing the Issuance of Property and Equipment Leasing Program County Guaranteed Pooled Revenue Bonds, Series 1992 of The Essex County Improvement Authority" adopted by the Authority on July 28, 1992, as amended and supplemented (the "Resolution"). The Authority Local Unit Bonds shall be as described in, and shall be issued and secured under and pursuant to the terms of the Authority's "Resolution Authorizing the Issuance of Property and Equipment Leasing Program Local Unit Guaranteed Lease Revenue Bonds, Series 1992 of The Essex County Improvement Authority" adopted by the Authority on July 28, 1992, as amended and supplemented (the "Local Unit Resolution"). The Nutley Board Bonds will be issued pursuant to a resolution adopted by the Board of Education of the Township of Nutley (the "Nutley Board") prior to the issuance thereof (the "Nutley Board Resolution"). The Bonds shall be dated September 29, 1992. The Local Unit Bonds shall be dated the date of issuance thereof. The aggregate principal amount and maturities of the Bonds and the Local Unit Bonds, the mandatory sinking fund installments of the Bonds and the Local Unit Bonds and the rates of interest to be borne by the Bonds and the Local Unit Bonds are as set forth in Exhibit A hereto. The Bonds, the Authority Local Unit Bonds and the Nutley Board Bonds will be subject to redemption and otherwise shall be as described in the Resolution, the Local Unit Resolution, and the Nutley Board Resolution, respectively.

c. On the date of the Closing, the Authority will have entered into the following: (i) a Capital Equipment Lease Purchase Agreement dated as of September 1, 1992 (collectively, the "Equipment Lease Agreements") with each of the County of Essex (the "County"), the City of East Orange ("East Orange"), the Township of Livingston ("Livingston") and the City of Newark ("Newark") for the purchase and installation of the capital equipment set forth in Exhibit A to each such Equipment Lease Agreement, (ii) a Property and Infrastructure Lease Purchase Agreement dated as of September 1, 1992 (the "Property Lease Agreement") and a Ground Lease Agreement dated as of September 1, 1992 (the "Ground Lease Agreement") with Newark for the purchase, construction, renovation

and installation of certain capital improvements set forth in Exhibit A to such Property Lease Agreement and (iii) an Agreement dated as of September 1, 1992 (the "School Agreement") with the Nutley Board to finance the acquisition, construction, renovation and installation of the capital improvements set forth in Exhibit A to such School Agreement. The Equipment Lease Agreements, the Property Lease Agreement, the Ground Lease Agreement and the School Agreement are collectively referred to as the "Program Agreements." The County, East Orange, Livingston, Newark and the Nutley Board are collectively referred to as the "Local Units" or the "Borrowers." The capital equipment and/or improvements described in Exhibit A to each of the Program Agreements are referred to as the "Projects."

d. No later than the Closing, (i) the Authority will have caused each Local Unit, other than the Nutley Board, to finally adopt its Local Unit Guaranty ordinance (the "Local Unit Guaranties") in accordance with all applicable law, including without limitation Section 37 ("Section 37") of the county improvement authorities law (N.J.S.A. 40:37A-80, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, as amended and supplemented from time to time (the "Act"), securing the Local Units' applicable series of Local Unit Bonds and (ii) the Authority will have caused the County to finally adopt its "Series 1992A County Guaranty" (sometimes referred to herein as the "County Guaranty") securing the Bonds in accordance with all applicable law, including without limitation Section 37.

2. Delivery of Official Statement and Other Documents.

a. At or before the time of the Authority's acceptance hereof, the Authority shall furnish the Representative with a copy of the Official Statement executed by an authorized officer of the Authority. The Authority shall thereafter deliver to the Representative as promptly as practicable but in no event later than September 29, 1992, such number of copies of the final Official Statement as the Representative may reasonably request in order for the Underwriters to comply with the rules of the Municipal Securities Rulemaking Board and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934 (the "Rule").

b. The Underwriters agree that they shall deliver a final Official Statement to a nationally recognized municipal securities information repository (approved by the Securities and Exchange Commission as eligible for compliance under the Rule) on or prior to the Closing. Unless the Authority is otherwise notified in writing by the Underwriters, the Underwriters agree that the "end of the underwriting period" for purposes of the Rule shall be the date of the Closing. The Underwriters further agree that they will comply with Rule G-36 of the Municipal Securities Rulemaking Board.

c. From the date hereof through the 25th day after the end of the underwriting period for purposes of the Rule, if any event shall occur that would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and if in the Representative's opinion or that of the Authority, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will cause the Official Statement to be amended or supplemented in a form approved by the Representative at the sole cost and expense of the Authority and will furnish to the Representative a reasonable number of copies of such supplement or amendment.

d. Prior to or simultaneously with the execution of this Purchase Agreement, Arthur Andersen & Co., Roseland, New Jersey, will have delivered to the Representative a letter in form and substance satisfactory to the Representative setting forth the conclusions and findings of said firm with respect to certain financial information and other matters relating to the Authority contained in the Official Statement.

e. Prior to or simultaneously with the execution of this Purchase Agreement, Samuel Klein and Company, Certified Public Accountants, Newark, New Jersey, will have delivered to the Representative a letter in form and substance satisfactory to the Representative setting forth the conclusions and findings of said firm with respect to certain financial information and other matters relating to the County contained in the Official Statement.

3. Public Offering. The Underwriters agree to make a bona fide public offering of all the Bonds at a price or prices not in excess of the initial public offering price or prices (or yields) set forth on the inside cover page of the Official Statement. The Underwriters reserve the right to change such initial public offering price or prices (or yields), whenever the Underwriters deem necessary in connection with the marketing of the Bonds, and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and certain dealer banks and banks acting as agents at prices lower than such initial public offering price. The Authority hereby authorizes the Underwriters to use the Official Statement and the information contained therein, and ratifies and confirms its authorization of the use by the Underwriters prior to and after the date hereof of the Preliminary Official Statement dated September 15, 1992 (the "Preliminary Official Statement") in connection with such public offering and sale. The Representative, at or prior to the Closing, shall deliver to the Authority a certificate or certificates stating the "issue price" and "yield" of the Bonds (as such terms are defined in the Internal Revenue Code of 1986, as amended).

4. Authority's Representations, Warranties and Agreements. By its acceptance hereof, the Authority represents and warrants to and agrees with the Underwriters (and it shall be a condition of the obligation of the Underwriters to purchase and to accept delivery of the Bonds that the Authority shall so represent, warrant and agree as of the date of the Closing) that, as of the date hereof:

a. The Authority is a public body politic and corporate constituting a political subdivision of the State of New Jersey (the "State") governed by the Constitution and the laws of the State, including without limitation, the Act, and the Authority was duly organized under and is presently existing under the Act, with the powers, among others, and authority set forth therein.

b. The acting members of the Authority have been duly appointed and qualified in accordance with the terms of the Act, and any past members of the Authority who have previously performed any action contemplated in the Program Agreements, this Purchase Agreement, the Resolution or the Local Unit Resolution was at the time of such action, a duly appointed and qualified member of the Authority in accordance with the terms of the Act.

c. The Authority has complied with all provisions of the Constitution and the laws of the State relating to the transactions contemplated hereby and therefore has full power and authority to enter into this Purchase Agreement and the Program Agreements and has full power and authority to adopt the Resolution and the Local Unit Resolution and has full power and authority to perform the transactions contemplated hereby and thereby, including, inter alia, the issuance of the Bonds and the Local Unit Bonds.

d. By official action of the Authority taken prior to or concurrent with the acceptance hereof, the Authority has duly authorized, approved, and consented to all necessary action to be taken by the Authority for: (i) the execution, delivery and performance of this Purchase Agreement, the Program Agreements and the transactions contemplated hereby and thereby and the adoption of the Resolution and the Local Unit Resolution and the transactions contemplated thereby; (ii) the issuance of the Bonds upon the terms set forth herein, in the Resolution and in the Official Statement; (iii) the issuance of the Local Unit Bonds upon the terms set forth in the Local Unit Resolution; (iv) the approval of the Official Statement and the execution of the Official Statement and any amendment thereof or supplement thereto; (v) the execution, the delivery and the due performance of any and all other agreements and instruments that may be required to be executed, delivered and received by the Authority to which it is a party in order to carry out, to give effect to and to perform the transactions contemplated by the Program Agreements, this Purchase Agreement, the Resolution, the Local Unit Resolution and the

Official Statement; and (vi) the designation of the Preliminary Official Statement as "deemed final" for purposes of the Rule and the Official Statement as a "final official statement" for purposes of the Rule.

e. The Program Agreements and this Purchase Agreement when executed by the Authority will be, and the Resolution and the Local Unit Resolution have been, duly authorized and adopted and will and do, as the case may be, constitute the legal, valid and binding obligations of the Authority enforceable in accordance with their terms, except as the enforcement thereof may be affected by bankruptcy, insolvency, or other laws or the application by a court of legal or equitable principles affecting creditors' rights ("Creditors Rights Limitations"); and the Authority has duly authorized and approved the consummation by it of all other transactions contemplated by the Official Statement, the Program Agreements, the Resolution, the Local Unit Resolution and this Purchase Agreement to be performed or consummated at or prior to the date of the Closing.

f. The execution and delivery by the Authority of the Official Statement, the Program Agreements and this Purchase Agreement and compliance with the obligations on the Authority's part contained herein and therein and the adoption of the Resolution and the Local Unit Resolution and compliance with the obligations on the Authority's part contained therein will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its properties or other assets is otherwise subject or to the establishment or existence of the Authority or its affairs, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or other assets of the Authority under the terms of any such law, regulation or instrument, except as provided or permitted by the aforementioned documents.

g. All approvals, consents and orders of any governmental authority, legislative body, board, agency, or commission having jurisdiction in any matter which constitutes a condition precedent to or the absence of which would materially adversely affect the due performance by the Authority of its obligations under this Purchase Agreement, the Program Agreements, the Resolution, the Local Unit Resolution, the Bonds and the Local Unit Bonds, and the transactions contemplated hereby and thereby have been, or prior to the Closing will have been, duly obtained, including, but not limited to the findings of the Local Finance Board of the Department of Community Affairs in the Division of Local Government Services of the State (the "Local Finance Board").

h. The Bonds, when issued, and delivered in accordance with the Resolution and sold to the Underwriters as provided herein will be valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of the Resolution, and the Resolution will provide, for the benefit of the holders from time to time of the Bonds, a valid and legally binding pledge of the Trust Estate (as defined in the Resolution) to the Trustee, in accordance with and subject to the terms of the Resolution, and further subject to Creditors' Rights Limitations.

i. The Local Unit Bonds, when issued, and delivered in accordance with the Local Unit Resolution and sold to the Trustee as provided therein will be valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of the Local Unit Resolution, and the Local Unit Resolution will provide, for the benefit of the holders from time to time of the Local Unit Bonds, a valid and legally binding pledge of the Local Unit Trust Estate (as defined in the Local Unit Resolution) to United Jersey Bank, Hackensack, New Jersey, as trustee for the holders from time to time of the Local Unit Bonds (the "Local Unit Trustee"), in accordance with and subject to the terms of the Local Unit Resolution, and further subject to Creditors' Rights Limitations.

j. The description and information contained in the Official Statement relating to the Authority, its operations, and the transactions contemplated hereby and otherwise by any of the Program Agreements, the Resolution, the Local Unit Resolution and the Official Statement and other information therein pertaining to the Authority (other than the statements and information under the captions "DESCRIPTION OF THE BONDS - DTC - The Book-Entry-Only System," "SECURITY FOR THE BONDS - The County Guaranty," "SECURITY FOR THE BONDS - The Local Unit Guaranties," "ABSENCE OF MATERIAL LITIGATION - The County," "ABSENCE OF MATERIAL LITIGATION - The Local Units," and Appendices A, A-1, B and F, as to which no opinion need be expressed) are true and correct in all material respects and do not contain any untrue statements of material facts or omit to state material facts which are necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

k. Except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, governmental agency or public board or body, pending, or to the knowledge of the Authority threatened against the Authority or affecting the Authority (or, to the Authority's knowledge, any basis therefor), (i) wherein an unfavorable decision would adversely affect the existence of the Authority or the entitlement of its officers or members to their respective offices, or (ii) wherein an unfavorable decision would adversely affect the transactions contemplated by this Purchase Agreement, the Program

Agreements, the Resolution, the Local Unit Resolution or the Official Statement or (iii) wherein an unfavorable decision would adversely affect the financial stability of the Authority or (iv) which in any way contests or adversely affects the validity, enforceability, execution or delivery of any of this Purchase Agreement, the Program Agreements, the Bonds or the Local Unit Bonds or the validity, enforceability and adoption of the Resolution or the Local Unit Resolution or (v) which contests the completeness or powers of the Authority or any authority or proceedings for the execution, approval and delivery of any of the Bonds, the Local Unit Bonds, the Program Agreements, or this Purchase Agreement or the adoption of the Resolution or the Local Unit Resolution.

1. The Authority will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriters as the Representative may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for the distribution of the Bonds; provided, however, that the Authority will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

m. At the time of the Authority's approval of this Purchase Agreement, there has not been any material adverse change in the financial condition or the operations of the Authority since the date of the Preliminary Official Statement that has not been brought to the attention of the Representative in writing prior to the date of this Purchase Agreement.

n. The Authority is not in violation of or in default (or with the lapse of time and/or the receipt of appropriate notice would be in default) under any existing applicable law, court or administrative regulation, judgment, decree, order, agreement, indenture, mortgage, lease or sublease to which the Authority, any of its officers or members of the Authority or any of its properties is a party or is otherwise bound, that would have a material and adverse effect upon the operations or the financial condition of the Authority.

o. If, between the date of this Purchase Agreement and the Closing, the Authority issues or otherwise participates in the offering of any bonds, notes or other debt obligations of the Authority, the Authority will promptly notify the Representative thereof.

p. Neither the Authority nor anyone acting on its behalf has, directly or indirectly, authorized any person or entity, other than the Underwriters, to offer the Bonds for resale to the general public, or to solicit any offer to buy the Bonds from the general public.

q. The Authority will not knowingly take or omit to take any action that will in any way cause the proceeds derived from the sale of the Bonds or the Local Unit Bonds to be applied in a manner contrary to that which is provided in the Resolution, the Program Agreements, or the Local Unit Resolution or the transactions contemplated thereby.

r. Any certification signed by any member of the Authority or authorized officer of the Authority and delivered to the Representative shall be deemed to be a representation and warranty of the Authority to the Underwriters as to the truth of the statements made therein.

s. The Authority is not in default in the payment of principal of or interest on any of its bonds, debt obligations or lease purchase agreements.

t. At or before the time of the Authority's acceptance hereof, the Authority will have caused each Borrower to execute and deliver a Letter of Representations (collectively, the "Letter of Representations") dated the date hereof substantially in the form of Exhibit B hereto.

5. The Closing. At 10:00 a.m., New York City time, on September 29, 1992, or at such later time or on such later date as may be mutually agreed upon by the Authority and the Representative, the Trustee will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriters as provided below, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Representative will accept such delivery and pay the purchase price of the Bonds set forth in Paragraph 1 hereof in immediately available funds to the Trustee for the benefit of the Authority. Such delivery of any payment for the Bonds is herein called the "Closing."

Delivery of the Bonds will be made to the Underwriters through The Depository Trust Company ("DTC"), New York, New York or such other place as may be agreed upon by the Authority and the Representative. Delivery of the other documents hereinafter mentioned and payment for the Bonds shall occur at the offices of McCarter & English, Four Gateway Center, 100 Mulberry Street, Newark, New Jersey, or such other place as the Authority and the Representative mutually agree.

The Bonds shall be prepared in fully registered form acceptable to DTC and delivered in denominations of one Bond per stated maturity thereof as set forth in Exhibit A hereto, and shall be made available to the Representative at DTC at least one (1) business day prior to the Closing for purposes of inspection.

6. Closing Conditions. The Underwriters are entering into this Purchase Agreement in reliance upon the representations, warranties and agreements of the Authority contained herein and in the representations, warranties and agreements of each Borrower set forth in its respective Letter of Representations, in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority of its covenants and agreements hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligation under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Authority of its covenants and agreements to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

a. At the time of the Closing, the Local Unit Guaranties, the Series 1992A County Guaranty, the Program Agreements, the Resolution, the Local Unit Resolution and this Purchase Agreement shall be in full force and effect and shall not have been amended, modified, supplemented or rescinded since the date hereof, without the consent of the Representative, and the Official Statement as delivered to the Representative in accordance with the terms of Paragraph 2 hereof shall not have been supplemented or amended without the consent of the Representative and no event or circumstance shall have occurred which, in the opinion of the Representative, would require such amendment or supplement.

b. At the time of the Closing, all official actions of the Authority relating to the approval, execution and delivery of this Purchase Agreement, the Program Agreements, the Official Statement, the Bonds and the Local Unit Bonds, relating to the approval and adoption of the Resolution and the Local Unit Resolution and relating to the ratification of the distribution of the Preliminary Official Statement and the Official Statement shall be in full force and effect.

c. At the time of the Closing, all official actions of the County relating to the final adoption of the Series 1992A County Guaranty shall be in full force and effect. At the time of the Closing, all official actions of the Local Units relating to the final adoption of the Local Unit Guaranties shall be in full force and effect.

d. At or prior to the date of the Closing, the Trustee and the Local Unit Trustee, as the case may be, shall have: (i) duly authenticated the Bonds and the Local Unit Bonds, as the case may be; (ii) accepted and shall be able to perform the duties and the obligations of the Trustee and the Local Unit Trustee, as the case may be, and the Paying Agent under the Resolution and the approvals, consents and orders of any governmental authority or agency having jurisdiction in any matter that would constitute a condition precedent to the performance by the Trustee or the Local Unit Trustee of its duties and obligations as Trustee or Local Unit Trustee, as the case may be, and Paying Agent under the Resolution and the Local Unit Resolution, respectively.

e. At or prior to the Closing, the Authority, the Borrowers and the County shall have performed all of their respective obligations required under or specified in this Purchase Agreement, the Official Statement, the Program Agreements, the Resolution and the Local Unit Resolution to be performed at or prior to the date of the Closing, and the Representative shall have received each of the following documents:

i. an executed original of the Official Statement and certified copies of the Resolution, the Local Unit Resolution, the Local Unit Guaranties and the Series 1992A County Guaranty, as duly adopted and existing and all other documents or instruments contemplated therein;

ii. copies of the Program Agreements, duly executed by the appropriate Borrowers and the Authority;

iii. the approving opinion of Bond Counsel, dated the date of the Closing and addressed to the Authority, in substantially the form of Appendix F to the Official Statement;

iv. a supplemental opinion of Bond Counsel, dated the date of the Closing and addressed to the Underwriters to the effect that: (A) the Bonds are exempt securities within the meaning of Section 3(a)(2) of the Securities Act, and it is not necessary to qualify the Resolution as a resolution under the Trust Indenture Act of 1939, as amended; (B) the Official Statement has been duly authorized and executed by the Authority; (C) this Purchase Agreement has been duly authorized, executed, and delivered and constitutes the valid and binding obligation of the Authority enforceable in accordance with its terms subject to Creditors' Rights Limitations; (D) the descriptions and summaries of provisions of the Bonds, the Resolution, the Program Agreements, the Series 1992A County Guaranty, and the Local Unit Guaranties and all applicable laws with respect thereto contained in the Preliminary Official Statement and the Official Statement on the cover page, the inside cover page and under the headings "INTRODUCTION," "DESCRIPTIONS OF THE BONDS," "SECURITY FOR THE BONDS," and Appendices D and E fairly summarize the provisions of

the documents or matters of law intended to be summarized therein as of the respective dates of the Preliminary Official Statement and the Official Statement, and the description and summaries contained on the cover page and under the heading "TAX EXEMPTION" accurately reflect the opinion of such counsel with respect to matters of New Jersey and Federal tax law, applicable to the Bonds; (E) based upon their participation in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the accuracy, completeness, or adequacy of the statements contained in the Preliminary Official Statement or the Official Statement as of the date of Closing, nothing has come to the attention of such counsel which would lead them to believe that the Preliminary Official Statement or the Official Statement (excluding "LITIGATION OF THE AUTHORITY," "ABSENCE OF MATERIAL LITIGATION," and Appendices A, A-1, B and C and excluding financial and statistical data, as to all of which no opinion need be expressed) contains any untrue statement of a material fact or omits to state a fact which is required to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading; (F) except as to the possible application of state securities laws, as to which no opinion need be expressed, no authorization, declaration, approval, consent or other order of any governmental authority or agency is required to be obtained by the Authority which has not been obtained for the valid authorization, execution, issuance and sale of the Bonds by the Authority and the valid authorization, execution and delivery of this Purchase Agreement by the Authority; (G) the advertisements of the Resolution in the form it was adopted on July 28, 1992 and the form it was amended and supplemented on the date of issuance of the Bonds, were effective for running the estoppel period pursuant to N.J.S.A. 40:37A-62; (H) the Executive Director of the Authority has full power and authorization under applicable law and the By-laws of the Authority to take all actions delegated to him in the Resolution;

v. a letter of Bond Counsel, dated the date of the Closing and addressed to the Underwriters and the Trustee, to the effect that the opinion referred to in Paragraph 6(e) (iii) may be relied upon by the Underwriters and the Trustee to the same extent as if such opinion were addressed to the Underwriters and the Trustee;

vi. an opinion of Joseph B. Thor, Esq., special counsel to the Authority (the "Authority Counsel"), dated the date of the Closing, and addressed to the Authority, the Underwriters, the County and the Trustee to the effect that (a) the Authority is a public body politic and corporate constituting a political subdivision of the State governed by the Constitution and the laws of the State, including without limitation, the Act, and the Authority was duly organized under and is presently existing under the Act, with the powers, among others, and authority set forth

therein; (b) the Authority has full legal right and power and is authorized to enter into and to perform its obligations under this Purchase Agreement, the Program Agreements, the Resolution and the Local Unit Resolution and to authorize the use of the Preliminary Official Statement and the Official Statement by the Underwriters; (c) the Authority has duly authorized all necessary action to be taken by it for (i) the execution, delivery and performance of this Purchase Agreement, the Program Agreements and the adoption and performance of the Resolution and the Local Unit Resolution, (ii) the approval of the issuance and sale by the Authority of the Bonds and the authentication by the Trustee of the Bonds upon the terms and conditions set forth in this Purchase Agreement, the Resolution and the Official Statement, (iii) the approval of the issuance and sale by the Authority of the Local Unit Bonds and the authentication by the Local Unit Trustee of the Local Unit Bonds upon the terms and conditions set forth in this Purchase Agreement, the Local Unit Resolution and the Official Statement and (iv) the approval of the Preliminary Official Statement and the Official Statement; (d) the execution, delivery and performance by the Authority of the terms of this Purchase Agreement and the adoption and performance by the Authority of the terms of the Resolution and the Local Unit Resolution do not and will not contravene any provision of existing law or regulation and will not conflict with, or result in the breach of the terms, conditions or provisions of any agreement of the Authority, or constitute a default under or result in or permit the creation or imposition of any lien, charge or encumbrance upon any of the properties of the Authority pursuant to any indenture, mortgage or other agreement or instrument to which the Authority is a party or by which its assets are bound other than liens created by the Resolution and the Local Unit Resolution; (e) each of the Program Agreements, the Resolution, the Local Unit Resolution and this Purchase Agreement are legal, valid and binding obligations of the Authority and assuming, if applicable, the due authorization, execution and delivery thereof by all other parties thereto, are enforceable against the Authority in accordance with their respective terms except as such enforceability may be limited by Creditors' Rights Limitations; (f) all consents, approvals or authorizations of any governmental authority required on the part of the Authority in connection with the execution, delivery and performance of the terms of this Purchase Agreement and the Program Agreements and in connection with the adoption and performance of the terms of the Resolution and the Local Unit Resolution have been duly obtained, and the Authority has complied with all applicable provisions of law requiring any designation, declaration, filing, registration and/or qualification with any governmental authority in connection with such execution, delivery and performance; (g) the Authority is in compliance with all provisions of all constitutions, statutes, rules, regulations and orders and all governmental and nongovernmental bodies, all governmental approvals and all orders, judgments and decrees of all courts and arbitrators with respect to the performance of its obligations under the Resolution, the Local Unit Resolution, the

Program Agreements and this Purchase Agreement; (h) except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or by or before any governmental instrumentality or other agency, pending or, to such counsel's knowledge, after reasonable inquiry, now threatened against or affecting the Authority (or, to its knowledge, any basis therefor), or to which the Authority is or may be a party or to which the property of the Authority is or may be subject, questioning the validity of any proceeding taken or to be taken by the Authority in connection with the execution, delivery and performance by the Authority of the terms of the Bonds, the Local Unit Bonds, any of the Program Agreements or this Purchase Agreement or in connection with the adoption and performance by the Authority of the terms of the Resolution or the Local Unit Resolution seeking to prohibit, restrain or enjoin the execution, delivery, adoption or performance by the Authority of any of the foregoing, wherein an unfavorable decision, ruling or finding would adversely affect (i) the existence or organization of the Authority or the title to office of any member of the Authority or any power of the Authority; (ii) the validity or enforceability of the proceedings taken by the Authority for the authorization, execution and delivery of the Bonds, the Local Unit Bonds, this Purchase Agreement, the Program Agreements or for the authorization and adoption of the Resolution, the Local Unit Resolution, or for the approval of the Official Statement; (iii) the validity of any of the Program Agreements, the Resolution, the Local Unit Resolution or this Purchase Agreement; or (iv) the validity of the resolutions or any provisions thereof material to the transactions contemplated by any of the Program Agreements, the Resolution, the Local Unit Resolution or this Purchase Agreement; (i) there have been duly paid all taxes, fees and other public charges which are payable in connection with the execution, delivery and recordation of any of the Program Agreements; (j) the description and information in the Official Statement regarding the Authority (other than the statements and information under the captions "DESCRIPTION OF THE BONDS - DTC - The Book-Entry-Only System," "SECURITY FOR THE BONDS - The County Guaranty," "SECURITY FOR THE BONDS - The Local Unit Guaranties," "ABSENCE OF MATERIAL LITIGATION - The County," "ABSENCE OF MATERIAL LITIGATION - The Local Units," "TAX EXEMPTION" and Appendices A, A-1, B, C and F) is accurate and fairly presents the information intended to be shown with respect thereto and does not contain any untrue statement of a material fact or omit to state any material fact required or necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; (k) based upon such counsel's participation in the preparation of the Official Statement and without having undertaken to determine independently the accuracy, completeness or adequacy of the statements contained in the Official Statement (other than as to the information under the headings set forth in clause (j) above), such counsel has no reason to believe that the information contained in the Official Statement (except as to the statements

and information under the captions "DESCRIPTION OF THE BONDS - DTC - The Book-Entry-Only System," "SECURITY FOR THE BONDS - The County Guaranty," "SECURITY FOR THE BONDS - The Local Unit Guaranties," "ABSENCE OF MATERIAL LITIGATION - The County," "ABSENCE OF MATERIAL LITIGATION - The Local Units," "TAX EXEMPTION" and Appendices A, A-1, B, C and F) contains any untrue statement of a material fact or omits to state a material fact required or necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; (l) all actions taken by the Authority in connection with the authorization, execution and delivery of each of the Official Statement, the Program Agreements, and this Purchase Agreement, and in connection with the authorization and adoption of the Resolution and the Local Unit Resolution have been in compliance in all respects with the provisions of the State Constitution and applicable laws, including, inter alia, Chapter 231 of the Laws of the State of 1975, as amended, the New Jersey Open Public Meetings Law; and (m) the Program Agreements convey from the Authority to the respective Local Units valid leasehold estates in the applicable Projects as described thereunder;

vii. an opinion of Stephen J. Edelstein, Esq., County Counsel, dated the date of the Closing, and addressed to the County, the Underwriters, the Authority and the Trustee to the cumulative effect that (a) the County is a body politic and corporate of the State duly organized and existing under the laws of the State; (b) the County has full legal right and power to finally adopt the Series 1992A County Guaranty and to authorize the use of information related to the County in the Official Statement by the Underwriters; (c) the County has duly authorized all necessary action to be taken by it for (i) the final adoption of the Series 1992A County Guaranty, and (ii) the approval of the use of information related to the County in the Preliminary Official Statement and the Official Statement; (d) the final adoption and performance of the Series 1992A County Guaranty do not and will not contravene any provision of existing law or regulation and will not conflict with, or result in the breach of the terms, conditions or provisions of any agreement of the County, or constitute a default under or result in or permit the creation or imposition of any lien, charge or encumbrance upon any of the properties of the County pursuant to any indenture, mortgage or other agreement or instrument to which the County is a party or by which its assets are bound other than the liens created by the Local Unit Resolution; (e) the Series 1992A County Guaranty is the legal, valid and binding obligation of the County enforceable against the County in accordance with its terms, except as such enforceability may be limited by Creditors' Rights Limitations, and the obligation of the County to make payments under the Series 1992A County Guaranty is a direct and general obligation of the County payable, unless paid from some other source, from the levy of ad valorem taxes upon all the taxable property within the jurisdiction of the County without regard to rate or amount; (f) all consents,

approvals or authorizations of any governmental authority required on the part of the County in connection with the final adoption of the Series 1992A County Guaranty have been duly obtained, and the County has complied with all applicable provisions of law requiring any designation, declaration, filing, registration and/or qualification with any governmental authority in connection with such adoption; (g) the County is in compliance with all provisions of all constitutions, statutes, rules, regulations and orders and all governmental and nongovernmental bodies, all governmental approvals and all orders, judgments and decrees of all courts and arbitrators with respect to the performance of its obligations under the Series 1992A County Guaranty; (h) except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or by or before any governmental instrumentality or other agency, pending or, to such counsel's knowledge, after reasonable inquiry, now threatened against or affecting the County (or, to its knowledge, any basis therefor), or to which the County is or may be a party or to which the property of the County is or may be subject, questioning the validity of any proceeding taken or to be taken by the County in connection with the final adoption of the Series 1992A County Guaranty seeking to prohibit, restrain or enjoin the authorization and final adoption of the Series 1992A County Guaranty, wherein an unfavorable decision, ruling or finding would adversely affect (i) the existence or organization of the County or the title to office of any member of the Board of Chosen Freeholders of the County or any power of the County; (ii) the validity or enforceability of the proceedings taken by the County for the authorization and final adoption of the Series 1992A County Guaranty, or for the approval of the Official Statement; and (iii) the validity of the Resolution or the Local Unit Resolution or any provision thereof material to the transactions contemplated by any of the Program Agreements, the Resolution, or the Local Unit Resolution; (i) the description and information in the Official Statement set forth under the headings "SECURITY FOR THE BONDS - The County Guaranty," "ABSENCE OF MATERIAL LITIGATION - The County" and Appendix A (except for the financial and statistical information therein, as to which no opinion need be expressed) is accurate and fairly presents the information intended to be shown with respect thereto and does not contain any untrue statement of a material fact or omit to state any material fact required or necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; and (j) all action taken by the County in connection with the authorization and final adoption of the Series 1992A County Guaranty has been in compliance in all respects with the provisions of the State Constitution and applicable laws, including, inter alia, Chapter 231 of the Laws of the State of 1975, as amended, the New Jersey Open Public Meetings Law;

viii. an opinion of counsel to the Trustee dated the date of the Closing, and addressed to the Authority, the County

and the Underwriters to the effect that (a) the Trustee is a state banking corporation, with corporate powers and authority to own its property, to carry on its business as now being conducted, and is duly qualified to transact the business contemplated by the Resolution in its capacity as Trustee, and Paying Agent, to hold property in the State, to act as a fiduciary for the purposes of the Resolution and to exercise and enforce all rights and remedies provided to it in its capacity as Trustee and Paying Agent under the Resolution; (b) the Trustee has full power, authority and legal right to accept and perform its duties and obligations under the Resolution in its capacity as Trustee and Paying Agent; (c) the acceptance and performance by the Trustee of its duties and obligations as Trustee and Paying Agent under the Resolution have been duly authorized by all necessary corporate actions on the part of the Trustee, to such counsel's knowledge, and do not require any approval, consent or review of any court or public or governmental body or regulatory authority or any stockholder approval or the approval or consent of any trustee or holder of any indebtedness or obligations of the Trustee, or such required approvals and consents have heretofore been duly obtained; and (d) the acceptance and performance by the Trustee of its duties and obligations as Trustee and Paying Agent under the Resolution do not and will not contravene or cause a breach or violation of or default under any provisions of the Articles, Charter or Bylaws of the Trustee, or, to such counsel's knowledge, any agreement, indenture, mortgage, deed of trust, lease or other instrument to which the Trustee is a party or by which it is or may be bound, or any existing law, regulation, administrative or court order or decree to which the Trustee is or may be subject;

ix. an opinion of counsel to the Local Unit Trustee dated the date of the Closing, and addressed to the Authority, the County and the Underwriters to the effect that (a) the Local Unit Trustee is a state banking corporation, with corporate powers and authority to own its property, to carry on its business as now being conducted, and is duly qualified to transact the business contemplated by the Local Unit Resolution in its capacity as Local Unit Trustee and Paying Agent; (b) the Local Unit Trustee has full power, authority and legal right to accept and perform its duties and obligations under the Local Unit Resolution in its capacity as Local Unit Trustee and Paying Agent; (c) the acceptance and performance by the Local Unit Trustee of its duties and obligations as Local Unit Trustee and Paying Agent under the Local Unit Resolution have been duly authorized by all necessary corporate actions on the part of the Local Unit Trustee; and (d) the acceptance and performance by the Local Unit Trustee of its duties and obligations as Local Unit Trustee and Paying Agent under the Local Unit Resolution do not and will not contravene or cause a breach or violation of or default under any provisions of the Articles, Charter or Bylaws of the Local Unit Trustee, or, to such counsel's knowledge, any agreement, indenture, mortgage, deed of trust, lease or other instrument to which the Trustee is a party or

by which it is or may be bound, or any existing law, regulation, administrative or court order or decree to which the Trustee is or may be subject;

x. a certificate or certificates, of the Authority Chairman and Secretary of the Authority, dated the date of the Closing, satisfactory in form and substance to counsel for the Underwriters, to the effect that (a) each of the representations, warranties and covenants of the Authority set forth in this Purchase Agreement is true, accurate and complete as of the date of the Closing; (b) the executed copies of this Purchase Agreement, and the duly adopted copies of the Resolution and the Local Unit Resolution held in the corporate minute books of the Authority by the Secretary of the Authority are true, correct and complete copies of such documents and, such documents have not been modified, amended, superseded or rescinded, and are in full force and effect as of the date of the Closing; (c) the Authority approved the authorization, execution and delivery of the Bonds and the Local Unit Bonds on the terms and conditions set forth in the Resolution and the Local Unit Resolution, respectively, and (d) this Purchase Agreement, the Program Agreements, the Resolution, the Local Unit Resolution, the Official Statement and any and all other agreements and documents required to be executed and delivered by the Authority in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement have each been duly authorized, executed and delivered by the Authority, and as of the date of the Closing each is in full force and effect;

xi. copies of all resolutions of the Authority and all resolutions and ordinances of the County relating to the issuance of the Bonds or Local Unit Bonds, certified as of the date of the Closing by the Authority's secretary and by the Clerk of the Board of Chosen Freeholders of the County, as appropriate;

xii. evidence of incumbency and signing authority of the members and officers of the Authority and the members and officers of the County;

xiii. a certificate of the County, executed by the County Administrator and Acting Treasurer of the County dated the date of the Closing, and satisfactory in form and substance to the Representative to the effect that (a) the County is a body politic and corporate of the State duly organized and existing under the laws of the State; (b) the members of the Board of Chosen Freeholders of the County have been duly elected and qualified and the officers of the County have been duly appointed and qualified in accordance with the laws of the State, and any past members of the Board of Chosen Freeholders of the County and any past officers of the County who have previously performed any action contemplated in the Series 1992A County Guaranty, were at the time of such action, duly elected and qualified members of the Board of Chosen

Freeholders of the County or duly appointed and qualified officers of the County, as appropriate, in accordance with the laws of the State; (c) the County has complied with all provisions of the Constitution and the laws of the State related to the transactions contemplated hereby and therefore has full power and authority to finally adopt the Series 1992A County Guaranty and to perform the transactions contemplated hereby and thereby; (d) the Series 1992A County Guaranty has been duly authorized and finally adopted by the County and the Series 1992A County Guaranty is the legal, valid and binding obligation of the County enforceable in accordance with its terms, except as the enforcement thereof may be affected by Creditors' Rights Limitations; and the County has duly authorized and approved the consummation by it of all other transactions contemplated by the Official Statement, the Resolution, the Local Unit Resolution and this Purchase Agreement to be performed or consummated at or prior to the date of the Closing; (e) the description and information contained in the Official Statement relating to the County, its operations, and the transactions contemplated hereby and otherwise by the Resolution, the Local Unit Resolution, and the Official Statement and other information therein pertaining to the County as set forth under the following captions of the Official Statement, namely "SECURITY FOR THE BONDS - The County Guaranty," "ABSENCE OF MATERIAL LITIGATION - The County," and Appendices A and A-1 are true and correct in all material respects and do not contain any untrue statements of material facts or omit to state material facts which are necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (f) except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, governmental agency or public board or body, pending, or to the knowledge of the County threatened against the County or affecting the County (or, to the County's knowledge, any basis therefor), (i) wherein an unfavorable decision would adversely affect the existence of the County or the entitlement of its officers or members of the Board of Chosen Freeholders of the County to their respective offices, or (ii) wherein an unfavorable decision would adversely affect the transactions contemplated by the Official Statement or (iii) wherein an unfavorable decision would adversely affect the financial stability of the County or (iv) which contests the completeness or accuracy of the Official Statement or (v) which contests the powers of the County or any authority or proceedings for the approval and final adoption of the Series 1992A County Guaranty; (g) the County is not in violation of or in default (or with the lapse of time and/or the receipt of appropriate notice would not be in default) under any existing applicable law, court or administrative regulation, judgment, decree, order, agreement, indenture, mortgage, lease or sublease to which the County, any of its officers or members of the Board of Chosen Freeholders of the County or any of its properties is a party or otherwise bound, that would have a material and adverse effect upon the operations or the financial condition of the

County; (h) the County is not in default in the payment of principal of or interest on any of its bonds, debt obligations, lease purchase agreements or guaranties; (i) the copies of the finally adopted Series 1992A County Guaranty attached to such certificate are true, correct and complete copies of such documents and, such documents have not been modified, amended, superseded or rescinded, and remain in full force and effect as of the date of the Closing; and (j) the Series 1992A County Guaranty, the Official Statement and any and all other agreements and documents required to be executed and delivered or consented by the County in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement have been duly authorized, executed and delivered or duly authorized and consented to by the County, and the Series 1992A County Guaranty has been duly authorized and finally adopted and as of the date of the Closing and is in full force and effect;

xiv. original execution counterparts of certificates, dated the date of Closing, of each Borrower to the effect that the representations, warranties and covenants of such Borrower set forth in its respective Letter of Representations are true, accurate and complete as of the date of the Closing and opinions of counsel to the Borrowers, dated the date of the Closing, in substantially the form attached hereto as Exhibit B;

xv. a certificate, dated the date of the Closing, which shall be true and correct as of such date, signed by an authorized officer of the Trustee in form and substance satisfactory to counsel for the Underwriters, to the effect that (a) the duties and obligations under the Resolution of the Trustee and Paying Agent for the Bonds have been duly accepted by the Trustee; (b) the acceptance by the Trustee of its duties and obligations under the Resolution relating to the Trustee and the Paying Agent and compliance with the provisions thereof, will not conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any agreement or other instrument to which it is subject; (c) the Trustee is in compliance in all respects with the applicable covenants and agreements contained in the Resolution relating to the Trustee and the Paying Agent; (d) no litigation is pending or, to the knowledge of such officer, threatened against or affecting the Trustee (nor, to the Trustee's knowledge, is there any basis therefor) in any way contesting or affecting the existence or trust powers of the Trustee or the existence or fiduciary powers of the Paying Agent; (e) the Bonds have been duly authenticated and delivered by the Trustee, and any and all other agreements and document required to be executed and delivered by the Trustee in order to carry out, to give effect to and to consummate the transactions contemplated by this Purchase Agreement, the Program Agreements, the Resolution and the Official Statement have each been duly authorized, executed and delivered by the Trustee as of the date of the Closing, and each is in full force and effect; (f) the acceptance of the duties and

obligations of the Trustee and the Paying Agent under the Resolution and the authorization, execution and delivery of any other agreement or instrument to which the Trustee is a party and which is used in consummation of the transactions contemplated by the Program Agreements, the Resolution, the Official Statement and this Purchase Agreement and fulfillment of the terms and the provisions of such agreements and instruments by the Trustee will not (i) conflict with, violate or result in a breach of any law or any administrative regulation or decree applicable to the Trustee; or (ii) conflict with, or result in a breach of, or constitute a default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the Trustee is a party, or by which it is bound, or any order, rule or regulation applicable to the Trustee of any court or other governmental body; and (g) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the performance by the Trustee of its obligations under the Resolution have been obtained and are in full force and effect;

xvi. a certificate, dated the date of the Closing, which shall be true and correct as of such date, signed by an authorized officer of the Local Unit Trustee in form and substance satisfactory to counsel for the Underwriters, to the effect that (a) the duties and obligations under the Local Unit Resolution of the Local Unit Trustee and the Paying Agent for the Local Unit Bonds have been duly accepted by the Local Unit Trustee; (b) the acceptance by the Local Unit Trustee of its duties and obligations under the Local Unit Resolution relating to the Local Unit Trustee and the Paying Agent and compliance with the provisions thereof, will not conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any agreement or other instrument to which it is subject; (c) the Local Unit Trustee is in compliance in all respects with the applicable covenants and agreements contained in the Local Unit Resolution relating to the Local Unit Trustee and the Paying Agent; (d) no litigation is pending or, to the knowledge of such officer, threatened against or affecting the Local Unit Trustee (nor, to the Local Unit Trustee's knowledge, is there any basis therefor) in any way contesting or affecting the existence or trust powers of the Local Unit Trustee or the existence or fiduciary powers of the Paying Agent; (e) the Local Unit Bonds have been duly authenticated and delivered by the Local Unit Trustee, and any and all other agreements and documents required to be executed and delivered by the Local Unit Trustee in order to carry out, to give effect to and to consummate the transactions contemplated by this Purchase Agreement, the Program Agreements, the Local Unit Resolution and the Official Statement have each been duly authorized, executed and delivered by the Local Unit Trustee as of the date of the Closing, and each is in full force and effect; (f) the acceptance of the duties and obligations of the Local Unit Trustee and the Paying Agent under the Local Unit Resolution and the authorization,

execution and delivery of any other agreement or instrument to which the Local Unit Trustee is a party and which is used in consummation of the transactions contemplated by the Program Agreements, the Local Unit Resolution, the Official Statement and this Purchase Agreement and fulfillment of the terms and the provisions of such agreements and instruments by the Local Unit Trustee will not (i) conflict with, violate or result in a breach of any law or any administrative regulation or decree applicable to the Local Unit Trustee; or (ii) conflict with, or result in a breach of, or constitute a default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the Local Unit Trustee is a party, or by which it is bound, or any order, rule or regulation applicable to the Local Unit Trustee of any court or other governmental body; and (g) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the performance by the Local Unit Trustee of its obligations under the Local Unit Resolution have been obtained and are in full force and effect;

xvii. a certificate of the Trustee, dated the date of the Closing, acknowledging receipt by the Trustee of the proceeds of the sale of the Bonds;

xviii. evidence of trust powers and signing authority of the Trustee and the Local Unit Trustee;

xix. a letter of Arthur Andersen & Co., Roseland, New Jersey, auditor to the Authority, dated the date of the Closing and addressed to the Authority and the Underwriters consenting to the use of its report appearing in the Preliminary Official Statement and the Official Statement and the information supplied by it in the Preliminary Official Statement and the Official Statement and giving "cold comfort" with respect to its report and such information appearing in such Appendix C to the effect that nothing has come to its attention that would cause it to believe that there is a material change to such report or information;

xx. a letter of Samuel Klein and Company, Newark, New Jersey, auditor to the County, dated the date of the Closing and addressed to the Authority and the Underwriters consenting to the use of its report appearing in Appendix A-1 to the Preliminary Official Statement and the Official Statement and the information supplied by it in Appendix A-1 to the Preliminary Official Statement and the Official Statement, and giving "cold comfort" with respect to its report and such information appearing in such Appendix A-1 to the effect that nothing has come to its attention that would cause it to believe that there is a material change to such report or information;

xxi. a copy of the findings of the Local Finance Board relating to the Resolution, the Local Unit Resolution, the

Program Agreements and the resolution of and group affidavit executed by the members of the Authority to the effect that they have reviewed such findings and evidence that such group affidavit has been timely filed with the Local Finance Board;

xxii. written notification from Moody's Investors Service stating that the Bonds have been assigned the ratings of "A-1" or better, from such agency;

xxiii. an Internal Revenue Service Form 8038-G, executed by the Authority in form satisfactory for filing;

xxiv. such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the representations, warranties and covenants of the Authority contained in the Official Statement, the due performance by the Authority on or prior to the date of the Closing of all the respective agreement then to be performed by it and the satisfaction on or prior to the date of the Closing of all the conditions to the Closing prescribed herein.

All of the evidence, opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provision hereof if, but only if, they are in form and substance reasonably satisfactory to the undersigned and to counsel to the Underwriters.

If the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Agreement are not satisfied (and the Underwriters have not waived any such conditions), or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriters nor the Authority shall be under any further obligation hereunder, except as set forth in Paragraphs 8 and 11 hereof.

7. Termination. The Underwriters shall have the right to terminate their obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Authority of their election to do so if, after the execution hereof and prior to the Closing: (a) legislation shall be enacted by the House of Representatives or the Senate of the Congress of the United States, or recommended to the Congress of the United States for passage by the President of the United States, or favorably reported for passage to either the House of Representatives or the Senate by any committee of either such body to which such legislation has been referred for consideration, a

decision by a court established under Article III of the Constitution of the United States, or by the Tax Court of the United States shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation, upon revenue or other income of the general character to be derived and pledged by the Authority or by any similar body under similar circumstances or upon interest received on obligations of the general character of the Bonds, which, in the Representative's judgment, materially adversely affects the market price of the Bonds; (b) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the Representative's judgment, materially adversely affects the market price of the Bonds; (c) a stop order, ruling, regulation or official statement by, or on behalf of the Securities and Exchange Commission shall be proposed or made to the effect that the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds is in violation or would be in violation unless registered or otherwise qualified under any provisions of the Securities Act of 1933, as amended and as then in effect (the "Securities Act"), or the Authority is required to be registered under the Securities Exchange Act of 1934, as amended and as then in effect, (d) legislation shall be introduced in or be enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a ruling, regulation or Official Statement by or on behalf of the Securities and Exchange Commission (including a no action or interpretive letter of staff thereof) or other governmental agency having jurisdiction of the subject matter shall be made or proposed to the effect that the Bonds or an obligation or obligations of the general character of the Bonds are not exempt from registration, qualification or other requirements of the Securities Act; (e) a general banking moratorium shall have been established by federal or State authorities; (f) in the Representative's judgment, the market price of the Bonds is adversely affected because: (A) additional material restrictions not in force as of the effective date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (B) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the change to the net capital requirements of the Underwriters; (C) a national or international calamity shall have occurred; or (D) there shall have occurred a default with respect to the debt obligations of or the institution

of proceedings under the Federal bankruptcy laws by or against any state of the United States or any city located in the United States having a population of over one million; (g) there shall have occurred any change in, or any development involving a prospective change in, the financial condition of the Authority generally which, in the Representative's judgment, materially adversely affects the market price of the Bonds; (h) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Bonds or in any way contesting or affecting any authority for or the validity of the Bonds, or the existence or powers of the Authority; (i) an event described in Paragraph 4 hereof shall have occurred which requires an amendment or supplement to the Official Statement and which, in the Representative's reasonable judgment, materially adversely affects the market price of the Bonds; (j) if, in the opinion of counsel to the Underwriters, the contemplated distribution of the Bonds must be registered under the Securities Act; (k) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of counsel to the Underwriters, has the effect of requiring the Bonds to be registered under the Securities Act; or (l) the United States shall be engaged in any conflict or hostilities which have resulted in a declaration of war, a national emergency or any other national calamity or there shall have occurred any other conflict or outbreak of hostilities or an escalation of any existing conflict or hostilities, the effect of such outbreak or escalation on the financial markets of the United States being such as, in the reasonable belief of the Representative, would affect materially and adversely the ability of the Underwriters to market or sell the Bonds.

8. Expenses a. The Underwriters shall be under no obligation to pay, and the Authority shall pay, all expenses incident to the performance of the Authority's obligations hereunder, including but not limited to: (i) the cost of the preparation and printing or other reproduction of the Resolution and the Local Unit Resolution, if any; (ii) the cost of the preparation and printing of the Bonds and the Local Unit Bonds; (iii) the fees and disbursements of Bond Counsel; (iv) the fees and disbursements of the Authority counsel, its auditor and advisers, and of any other experts or consultants retained by the Authority; (v) the fees and disbursements of the County Counsel, the County's auditor, and all other accountants, auditors, advisors, consulting engineers and any other experts or consultants retained by the County; (vi) the fees and disbursements of the Trustee, the Local Unit Trustee and their counsel, and the respective Paying Agents for the Bonds and the Local Unit Bonds; (vii) the fees of the rating agencies; and (viii) the cost of the preparation, printing and delivery of the Preliminary Official Statement and the Official Statement and additions or supplements thereto. The payment obligations of the Authority pursuant to this Paragraph 8(a) shall survive any termination of this Purchase Agreement.

b. The Underwriters shall pay: (i) the costs of the preparation and printing of any Blue Sky Memorandum and Legal Investment Survey; (ii) all other expenses incurred by the Underwriters, for the preparation of any such Blue Sky Memorandum and Legal Investment Survey and the qualification of the Bonds for sale in connection with the public offering and distribution of the Bonds; and (iii) the fees and disbursements of counsel for the Underwriters.

9. Notices. Any notice or other communication to be given to the Authority under this Purchase Agreement may be given by delivering the same in writing to the Authority at the address set forth above; and any notice or other communication to be given to the Underwriters may be given by delivering the same in writing to the Representative at A.G. Edwards & Sons, Inc., One Gateway Center, Newark, New Jersey 07102, to the attention of: David M. Brownstein. The approval of the Underwriters when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by an authorized officer of the Representative and delivered to the Authority.

10. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Authority and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof.

11. Survival of Representations, Warranties and Agreements. All representations, warranties, covenants and agreements of the Authority contained in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Authority or the Underwriters and shall survive (i) delivery of the Bonds to the Underwriters and payment by the Underwriters therefor pursuant to this Purchase Agreement; or (ii) termination of this Purchase Agreement.

12. Effectiveness. This Purchase Agreement shall become effective upon the execution of the acceptance hereof on behalf of the Authority by the Chairman, Secretary or Executive Director of the Authority or other authorized member of the Authority and shall be valid and enforceable at the time of such acceptance.

13. Counterparts. This Purchase Agreement may be executed in several counterparts, which together shall constitute one and the same instrument.

14. New Jersey Law Governs. The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State of New Jersey.

15. Entire Agreement. This Purchase Agreement when accepted by the Authority in writing as heretofore specified shall constitute the entire agreement among us and is made solely for the benefit of the Authority and the Underwriters (including the successors or assigns of the Underwriters).

16. Headings. The headings of the paragraphs of this Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

17. Severability. If any provision of this Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable, such a determination shall apply only to the subject provision and the remainder of this Purchase Agreement shall remain in full force and effect.

18. Amendments. This Purchase Agreement shall not be amended, nor shall any provision hereof be waived by any party hereto, without the prior written consent of the Authority and the Underwriters.

19. **Successors.** This Purchase Agreement will inure to the benefit of and be binding upon the parties and their successors and will not confer any rights upon any other person. No purchaser of the Bonds from the Underwriters shall be deemed to be a successor by reason merely of such purchase.

If the foregoing terms are in accordance with your understanding, please execute this letter in the space provided below, whereupon this document will constitute a binding agreement.

A.G. EDWARDS & SONS, INC.
M.R. BEAL & COMPANY
POWELL CAPITAL MARKETS, INC.

By: A.G. Edwards & Sons, Inc.,
as Representative

By: _____
Vice President

Accepted as of the date first above written:

THE ESSEX COUNTY
IMPROVEMENT AUTHORITY

By: _____
Thomas A. Banker
Executive Director

EXHIBIT A

I. MATURITY SCHEDULE AND INTEREST RATES OF THE SERIES 1992A BONDS

| December 1, | Amount | INTEREST RATE |
|-------------|--------|---------------|
| 1993 | \$ | |
| 1994 | | |
| 1995 | | |
| 1996 | | |
| 1997 | | |
| 1998 | | |
| 1999 | | |
| 2000 | | |
| 2001 | | |
| 2002 | | |
| 2003 | | |
| 2004 | | |
| 2005 | | |
| 2006 | | |
| 2007 | | |
| 2008 | | |
| 2009 | | |
| 2010 | | |
| 2011 | | |
| 2012 | | |

EXHIBIT A (cont.)

III.

MATURITY SCHEDULE OF LOCAL UNIT BONDS

| December 1, | Essex County | East Orange | Livingston | Newark | Nutley Bd. of Ed. |
|--------------------|-------------------------|------------------------|-------------------|---------------|----------------------------------|
| 1993 | \$ | \$ | \$ | \$ | |
| 1994 | | | | | |
| 1995 | | | | | |
| 1996 | | | | | |
| 1997 | | | | | |
| 1998 | | | | | |
| 1999 | | | | | |
| 2000 | | | | | |
| 2001 | | | | | |
| 2002 | | | | | |
| 2003 | | | | | |
| 2004 | | | | | |
| 2005 | | | | | |
| 2006 | | | | | |
| 2007 | | | | | |
| 2008 | | | | | |
| 2009 | | | | | |
| 2010 | | | | | |
| 2011 | | | | | |
| 2012 | | | | | |

EXHIBIT A (cont.)

IV.

SINKING FUND INSTALLMENTS OF BONDS

EXHIBIT A (cont.)

V.

SINKING FUND INSTALLMENTS OF LOCAL UNIT BONDS