

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Small Private Water Company Applicants

Financial Addendum Form

January 2, 2010

DATE DUE: March 22, 2010

Company: _____

Project No. _____

FOR SMALL PRIVATE WATER COMPANIES
New Jersey Environmental Infrastructure Trust

THE INFORMATION CONTAINED IN THIS DOCUMENT MAY BE USED FOR THE FOLLOWING PURPOSES:

1. Review by the New Jersey Environmental Infrastructure Trust and its consultants.
2. Evaluation by the Rating Agencies, Insurance Companies and others concerned with the credit characteristics of the Trust Bonds.

INSTRUCTIONS:

1. To the greatest extent possible, all information is to be completed on this form. Please mark "N/A" (Not Applicable) where appropriate.
2. If additional pages are needed, they are to be clearly marked with the Company name and the item number and inserted behind the page that contains the original question.
3. Please ensure that your Bond Counsel has reviewed this form and all attachments, and that a representative from your Bond Counsel has completed the "Appointment and Review of Bond Counsel" page contained herein.
4. If you and your Bond Counsel are unsure how to respond to a particular question, please call Frank Scangarella at the Trust at (609) 219-8600.

Date Due: March 22, 2010

If you are unable to submit your completed FAF on or before March 22, 2010, you must contact the Trust to request an extension. Failure to timely submit your completed FAF could jeopardize your ability to participate in the Trust's 2010 Financing Program. Extensions will be granted at the Trust's discretion only due to extraordinary circumstances.

Company: _____

Project No. _____

DOCUMENT CHECKLIST

The following documents are to be submitted with each copy of the completed Financial Addendum Form:

Section I

- _____ 1. Copy of Company's Contact List
- _____ 2. Signed Affidavit
- _____ 3. Signed "Appointment and Review of Bond Counsel"

Section II

- _____ 1. Copies of any existing and draft resolutions authorizing this project's financing and the issuance of bonds to the Trust and the State. (2.1)
- _____ 2. Copy of form of authorizing resolution (only if materially different from Exhibit 2.2). (2.2)
- _____ 3. Copy of form of award certificate or confirmatory resolution (only if materially different from Exhibit 2.3(a) or (b)). (2.3)
- _____ 4. Copy of Litigation language. (2.4)
- _____ 5. Tax Related Covenants. (2.5)
- _____ 6. Provide a listing of the Company's debt. Attach a description of the security for this debt. (2.6)
- _____ 7. Copy of the Company's Articles of Incorporation and By-Laws. (2.7)
- _____ 8. Copy of mortgage, deed, lease, easements or other real estate documents relating to the facility being financed. (2.8)
- _____ 9. Copy of your last SEC filing (publicly held companies), or last three years' financial statements along with any interim statements (privately held companies). If providing last three years' financial statements along with any interim statements (privately held companies), please provide those documents only to Barbara Bisgaier at PFM and Dennis Hart at the New Jersey Environmental Infrastructure Trust. (See also 4.1.)
- _____ 10. Copy of Stockholders/Owners Disclosure form. (2.10)
- _____ 11. Copy of evidence of franchise. (2.11)
- _____ 12. Copies of Enforceable User Agreements. (2.12)
- _____ 13. List of any other businesses owned or operated by officers of the corporation/ business partners. (2.13)
- _____ 14. BPU Application (if required). (2.14)

Company: _____

Project No. _____

_____ 15. BPU Approval (if required). (2.14)

Company: _____

Project No. _____

Section III

- _____ 1. Copy of Final Offering Document (or draft Preliminary Offering Document, if applicable, if financing has not been completed) for any indebtedness to be refunded by the proceeds of the Environmental Infrastructure Bonds, Series 2010. (3.10(c))

Section IV

- _____ 1. The audited financial and revenue statements for 2006, 2007 and 2008 are to be sent only to Barbara Bisgaier at PFM and Dennis Hart at the New Jersey Environmental Infrastructure Trust. (4.1)
- _____ 2. Copies of both the State and Federal company and personal tax returns for 2006, 2007 and 2008 are to be sent to only Barbara Bisgaier at PFM and Dennis Hart at the New Jersey Environmental Infrastructure Trust. (4.2)
- _____ 3. Current Operating Budget and Projected Budget for a 5-year period, including debt service on the loan and any rate adjustments. (4.3)
- _____ 3a. Revenue projections including any assumptions on which the projections are based. (4.3a)
- _____ 3b. Expense projections and any assumptions. (4.3b)
- _____ 3c. Plans for rate increases. (4.3c)
- _____ 3d. Security for the proposed loans. (4.3d)
- _____ 4. Composition of customer base. (4.4)

Company: _____

Project No. _____

SECTION I INTRODUCTION

A. DISTRIBUTION

Copies of this Addendum should be sent to the following for receipt no later than the close of business on March 22, 2010:

Maryclaire D’Andrea, Acting Executive Director

Mailing Address:

New Jersey Environmental Infrastructure Trust
P.O. Box 440
Trenton, NJ 08625

Location:

New Jersey Environmental Infrastructure Trust
3131 Princeton Pike, Bldg 6 – Suite 201
Lawrenceville, NJ 08648

Phone: (609) 219-8600

Fax: (609) 219-8620

Clifford T. Rones, Esq. (General Counsel)

Deputy Attorney General

Division of Law

Financial Section

Hughes Justice Complex

Market and New Warren Streets

P.O. Box 112

Trenton, NJ 08625

Phone: (609) 292-1537

Fax: (609) 777-3514

Richard T. Nolan, Esq. (Bond Counsel)

McCarter & English, LLP

Four Gateway Center

100 Mulberry Street

Newark, NJ 07102

Phone: (973) 639-2096

Fax: (973) 624-7070

Barbara Bisgaier (Financial Advisor)

Public Financial Management, Inc.

2 Logan Square, Suite 1600

Philadelphia, PA 19103

Phone: (215) 567-6100

Fax: (215) 567-4180

B. APPLICANT EMPLOYEE IDENTIFICATION NUMBER (EIN) : _____

Company: _____

Project No. _____

**Financial Background Information for a Company Borrowing from
The Environmental Infrastructure Financing Program**

AFFIDAVIT

I, _____, the undersigned authorized representative of _____, the applicant for a New Jersey Environmental Infrastructure Trust loan and a New Jersey Environmental Infrastructure Fund loan, being duly sworn according to law, upon my oath depose and say that:

1. I have read and reviewed the information contained in this Addendum and in the attached documents to this Addendum.
2. The information contained in this Addendum and the documents submitted herewith are true, correct, and complete to the best of the applicant's knowledge, information and belief.
3. The documents attached to this Addendum are true and correct copies of documents contained in the applicant's files.
4. I understand that failure to comply with all requirements of the New Jersey Environmental Infrastructure Trust Financing Program for the year 2010, including adherence to all deadlines and submission of complete and accurate documents, may jeopardize *[insert applicant's name]* _____ participation in the New Jersey Environmental Infrastructure Trust Financing Program for the year 2010.

By execution of this affidavit, *[insert applicant's name]* _____ agrees to reimburse the Trust for any expenses incurred by or on behalf of the Trust in connection with the evaluation of the acceptability of any collateral, regardless of whether the loan is actually closed. The Trust will not undertake any expense without the prior notification to the borrower.

Dated: _____, 2010

Signature of Authorized Representative

Name/Title of Authorized Representative
(typed)

Sworn to and subscribed
before me this ____ day
of _____ 2010.

[notary public]

Company: _____

Project No. _____

**APPOINTMENT OF BOND COUNSEL TO THE APPLICANT
AND REVIEW THEREBY OF THE FINANCIAL ADDENDUM FORM**

I, the undersigned, hereby acknowledge that the law firm of _____ has been appointed as bond counsel to _____, in connection with its participation in the New Jersey Environmental Infrastructure Financing Program for the year 2010.

I further acknowledge that I have reviewed this Financial Addendum Form, including the responses provided by the Applicant and the exhibits and attachments hereto, and that, notwithstanding the fact that the information contained herein remains subject to change, to my knowledge, the information provided by the Applicant in this Financial Addendum Form is responsive to the questions presented as of the date of submission hereof.

I further acknowledge that failure of _____ to comply with all requirements of the New Jersey Environmental Infrastructure Trust Financing Program for the year 2010, including adherence to all deadlines and submission of complete and accurate documents, may jeopardize *[insert applicant's name]* _____ participation in the New Jersey Environmental Infrastructure Trust Financing Program for the year 2010.

Dated: _____, 2010

Name of Firm

Signature of Bond Counsel

Print Name

Company: _____
Project No. _____

SECTION II

**COMPANY RESOLUTIONS, LITIGATION, TAX COVENANTS,
SECURITY AGREEMENTS AND PARITY DEBT**

NOTE: YOUR BOND COUNSEL MUST REVIEW SECTION II PRIOR TO YOUR SUBMISSION OF THIS FINANCIAL ADDENDUM FORM.

Company: _____

Project No. _____

II. COMPANY RESOLUTIONS, LITIGATION, TAX COVENANTS, SECURITY AGREEMENTS AND PARITY DEBT

[NOTE: YOUR BOND COUNSEL ***MUST*** REVIEW SECTION II PRIOR TO YOUR SUBMISSION OF THIS FINANCIAL ADDENDUM FORM.]

2.1 MASTER AND SERIES TRUST INDENTURE(S) FOR THE ISSUANCE OF DEBT

Attach a draft copy of the proposed or, if applicable, existing copy of the master and series debenture trust indentures authorizing the project financing and the issuance of bonds or notes to both the Trust and the State in connection therewith. If this is being handled through a corporate resolution in lieu of an indenture, please enclose same.

(a) Date of Scheduled Adoption of Resolution Authorizing Indenture(s):

(b) Titles of Resolutions/Indentures:

(c) Maximum principal amount of bonds authorized by the Master or Series Trust Indenture for this financing: \$ _____.

2.2 SUGGESTED FORM OF RESOLUTION AUTHORIZING EXECUTION OF AGREEMENTS

Attached as Exhibit 2.2 is a suggested form of a resolution authorizing authorized representatives of the Company to execute an Escrow Agreement and Trust and Fund Loan Agreements. If the form intended to be used varies from the exhibit in any material respect, disclose the variations and supply a form of the proposed resolution. This resolution need not be adopted at the time of submission of the Financial Addendum Form, but **must be adopted prior to August 16, 2010.**

_____ Will use suggested form of Resolution set forth in Exhibit.

_____ Alternate form of Resolution attached.

(a) Date of Scheduled Adoption:

(b) Title of Resolution:

(c) Maximum principal amount of bonds authorized by resolution: \$ _____.

PLEASE NOTE: CERTIFIED COPIES OF THE RESOLUTION AUTHORIZING THE ABOVE-REFERENCED MASTER AND SERIES TRUST INDENTURE(S) MUST HAVE BEEN DULY ADOPTED IN ACCORDANCE WITH LAW (INCLUDING THE PASSAGE OF ALL ESTOPPEL PERIODS) PRIOR TO AUGUST 16, 2010.

2.3 SUGGESTED FORM OF CONFIRMATORY RESOLUTION

Attached as Exhibit 2.3(a) is a suggested form of award certificate. Attached as Exhibit 2.3(b) is a suggested form of a confirmatory resolution. After the Company receives the debt service schedules from the Trust (approximately October 22, 2010) and prior to the pre-closing date for the Environmental Infrastructure Bonds, Series 2010 on November 1, 2010, this award certificate should be executed by an authorized officer of the Company or this confirmatory resolution should be adopted by the Company confirming all final terms of the sale, if the delegation of authority in the resolution is not sufficient. Please consult with your bond counsel to determine if such delegation is sufficient and,

Company: _____

Project No. _____

therefore, execution of an award certificate or adoption of a confirmatory is unnecessary. If execution of an award certificate or adoption of a confirmatory resolution is determined to be necessary, please provide notice if the form intended to be used varies from the exhibits in any material respect, disclose the variations and supply a form of the proposed resolution.

_____ Will use suggested form of certificate set forth in Exhibit 2.3(a).

_____ Will use suggested form of resolution set forth in Exhibit 2.3(b).

_____ Alternate form of certificate or resolution attached.

If the Company intends to adopt a confirmatory resolution, please list the anticipated meeting dates of the governing body of the Company between the estimated date of receipt of the debt service schedules (i.e. 10/22/10) and the date prior to the pre-closing date (i.e. 11/1/10). If a scheduled meeting date does not currently exist, schedule a meeting within this time frame as soon as possible and identify such date below.

Date of meeting at which confirmatory resolution will be adopted: _____, 2010.

2.4 LITIGATION

Provide a brief description (including projected liability) of (a) any threatened litigation, (b) any litigation in which the applicant is a defendant or (c) any other proceeding involving a court, administrative body of any other government entity relating to any existing debt of the Borrower, the financial condition of the Borrower or any other material item that would or should be disclosed in any offering document under federal securities laws were the Borrower issuing its bonds directly to the general public. To the extent litigation exists, edit the suggested language regarding Litigation below:

There is no litigation or other proceeding pending or to the knowledge of counsel to the Company, after due inquiry, threatened in any court or other tribunal of competent jurisdiction (either State or Federal) (i) questioning the creation, organization or existence of the Company, (ii) questioning the validity, legality or enforceability of the Loan Agreements, the Escrow Agreement, the Company's resolution authorizing the issuance of debt to the Trust and State, any indenture or other security agreement relating to said debt and said debt instruments, (iii) questioning the undertaking or completion of the Project, (iv) questioning the imposition or collection of water rates or other charges under any such security agreement, (v) otherwise challenging the Company's ability to consummate the transactions contemplated by the Loan, the Loan Agreements, the Escrow Agreement, or any such authorizing resolution, security agreement or debt instruments or (vi) if adversely decided, would have a material adverse impact on the financial condition of the Company.

2.5 TAX RELATED COVENANTS

The Company will be required to give certain covenants relating to the use of its loan proceeds as set forth in Exhibit 2.5. These covenants will enable bond counsel to the Trust to issue its opinion that interest on the Environmental Infrastructure Bonds, Series 2010 will not be included in the gross income of the owners thereof for Federal income tax purposes, but will be subject to the alternative minimum tax. Respond as to whether the Company anticipates any problem in agreeing to these covenants and any other tax related issues that the Trust should be aware of. **PLEASE NOTE** that the Company bonds to be issued to the Trust and the State need not be tax exempt. **PLEASE NOTE** that the Trust is considering issuing its Bonds with respect to the 2010 Financing Program as Build America Bonds, rather than as conventional tax-exempt bonds. In such

Company: _____

Project No. _____

case, the tax covenants that are included in the Trust Loan Agreement may differ, as needed, from those set forth in Exhibit 2.10. The Trust will promptly notify Borrowers of any changes to the tax covenants that become necessary as a result of its intent to issue its Bonds as Build America Bonds."

(a) I have read the tax covenants set forth in Exhibit 2.5.

The Company _____ does _____ does not anticipate any problem in agreeing to those covenants. If it does anticipate problems, please explain.

(b) Please identify any private use issue the Trust should be aware of, or indicate "None".

2.6 Provide a listing of the Company's outstanding debt including the outstanding principal amount. Attach a description of the security for this outstanding debt. Unless the Company designates otherwise, the Trust and the State will expect to receive senior lien debt from the Company for this transaction. If any agreements or payments under agreements are pledged to the repayment of the Company's debt, please enclose a copy of said agreements.

2.7 Provide a copy of the Company's Articles of Incorporation and By-Laws

2.8 Provide a copy of the mortgage, deed, lease, easements or other real estate documents relating to the facility being financed.

2.9 Is the Company publicly held? If yes, provide a copy of the last SEC filing.

If no, provide a copy of the last three years' financial statements and any interim statements. Please send such copies only to Barbara Bisgaier at PFM and Dennis Hart at the New Jersey Environmental Infrastructure Trust.

2.10 Provide a copy of Stockholders/Owners Disclosure Form.

2.11 Provide evidence of franchise.

2.12 Provide copies of Enforceable User Agreements

2.13 List any other businesses owned or operated by officers of the corporation/partners of the business applying for the loan.

2.14 New Jersey Board of Public Utilities ("BPU") Authorization

(a) Is the Company subject to the jurisdiction of the BPU? ___Yes ___No

(a) If yes:

(1) What approvals are required from the BPU in order for the Company to participate in this financing program?

Company: _____
Project No. _____

- (2) What is the Company's schedule for submission of an application to obtain such approvals from the BPU? Note: the BPU application submission deadline is on or about June 30 in order to be heard no later than the BPU's July 14, 2010 hearing. See 2.14(a)(3) below.

- (3) When is the BPU expected to hear the Company's application? Note: Applications must be approved by the BPU no later than the BPU's first July 2010 hearing.

- (4) Please provide to Maryclaire D'Andrea, Richard T. Nolan, Esq., and Clifford T. Rones, Esq., at their respective addresses on page 4 hereof, the following:
 - (i) a copy of the Company's application to the BPU as soon as it is prepared, and
 - (ii) a copy of the BPU's approval or response to the Company's application as soon as it is rendered.

Company: _____
Project No. _____

SECTION III

2010 PROJECT INFORMATION

Company: _____

Project No. _____

3. 2010 FINANCING INFORMATION

PLEASE COMPLETE THE FOLLOWING QUESTIONS CAREFULLY. YOUR ANSWERS WILL PROVIDE THE BASIS FOR THE REPAYMENT TERMS OF YOUR TRUST AND FUND LOANS.

3.1 Project Description

Please provide a brief description of the project:

3.2 Construction Schedule (the final deadline for revising the borrower's draw schedule is August 16, 2010) (in responding to this question, you MUST specify a month).

- (a) Estimated Construction Start Date: Month _____; Year _____.
- (b) Estimated Construction Completion Date: Month _____; Year _____.
- (c) Does the applicant intend to borrow for "reserve capacity": ____ Yes ____ No
- (d) Is the project a well project?: ____ Yes ____ No

(Reserve capacity permits the borrower to construct excess plant capacity. Unless the project is a "Smart Growth" project, the Trust will not subsidize the cost of reserve capacity construction through the zero interest Fund Loan, but will, at the option of the borrower, finance 100% of reserve capacity costs at market rates through a Trust Loan. Borrowers requesting this option will also be required to finance through the Trust Loan the debt service reserve fund amount associated with the reserve capacity portion of the Trust Loan, to the extent that the Trust establishes a debt service reserve fund).

3.3 Payment Dates

Payment dates on the Trust's bonds will be each March 1 and September 1. Borrowers will make their debt service payments on each February 1 and August 1 unless prohibited from doing so by an outstanding indenture or other financing document or unless the Trust otherwise requires. If your indenture so prohibits, indicate the date or dates upon which debt service payments must be made.

3.4 No Capitalized Interest

If you do not wish to capitalize interest, indicate that by checking here. ____

A borrower that elects **NOT** to capitalize interest will make a first interest payment on August 1, 2011 and a first principal payment on August 1, 2012, with respect to the Trust Loan, and a first principal payment on August 1, 2011, with respect to the Fund Loan.

Company: _____

Project No. _____

3.5 Capitalized Interest

If you wish to capitalize interest, indicate that by checking here. ____

Circle the date through which you wish to capitalize interest.

8/1/11 2/1/12 8/1/12 2/1/13 8/1/13

This date must meet the following requirements:

- 1) be no more than six months after the scheduled construction completion date;

AND

- 2) be either a February 1 or an August 1.

For example, if your scheduled construction completion date is May 2012, you may capitalize interest through August 1, 2012 and your first current payment of interest will be on February 1, 2013.

If you capitalize interest, your first principal payment will be on the August 1 next succeeding your scheduled construction completion date.

3.6 Final Maturity Date

Indicate your final principal payment date: August 1, 20____. (This may be no later than August 1, 2030.)

Note: At escrow closing, the borrower will receive a preliminary amortization schedule. The final amortization schedule will be determined at the time of the sale of the Trust Bonds. This final amortization schedule cannot and will not be altered even if the borrower experiences construction delays and has not drawn down the entire balance of its Trust Loan and Fund Loan by the date scheduled for payment to the Trust and State.

Company: _____

Project No. _____

3.7 Unallowable Costs

Please provide descriptions as to how the Company plans to finance 1) the unallowable costs, if any, of the project, and 2) the allowable costs, if any, not covered by the Trust and Fund loans made in this State fiscal year's funding cycle. **-OR-**

Please state if the Company will have no such unallowable costs.

*Note that the Trust and State will **not** disburse any loan proceeds unless the Company has on hand moneys to pay all unallowable costs (including any remaining local soft costs), non-Trust/Fund financed allowable costs and cost overruns. Whether the Company can satisfy the requirement by having funds available is determined on a case-by-case basis by the Trust, and the Trust should be contacted accordingly.*

3.8 Reimbursement

For those Borrowers who wish to receive pre-award approval for their project, the Trust **MUST** adopt a reimbursement resolution **PRIOR** to their expenditure of any monies (other than monies to pay engineering expenses) for costs of the project. When this action is approved by the Trust, the Trust will issue its pre-award approval. Pre-award approval is required from each of the Trust and DEP.

Will the Company be seeking pre-award approval? Yes No

If yes, indicate the estimated first date on which construction fund monies will be spent:
_____.

Has the Company previously entered into any contracts relating to the acquisition or construction or the performance of services related to the project being financed? Yes No

If yes, provide a copy of said contract.

3.9 Company Debt Service Reserve Fund

Is the Company required by its indenture to fund a debt service reserve fund for the Company bonds to be issued to the Trust and the Fund? Yes No

If yes, what is the expected source of such money: _____

Please note that the Trust does not require the Company to create or fund a debt service reserve fund. Therefore, the Trust will not fund the debt service reserve fund if required for the Company's debt. The Company will be required to fund this debt service reserve fund from its own sources. The Trust will, however, borrow the Company's pro rata share of the Trust's required debt service reserve fund. This amount will be included in the Company's Trust Loan.

Company: _____

Project No. _____

3.10 Refunding

(Complete this Section 3.10 only if the Trust Loan will refund outstanding notes or bonds of the Company.)

- 3.10(a)** Has any outstanding indebtedness (including bonds, project notes, bond anticipation notes, improvement Company loans, etc.) been issued to finance the project costs and is it intended that this indebtedness be refunded by a portion of the proceeds of the Environmental Infrastructure Bonds, Series 2010?
- 3.10(b)** Is it intended that such indebtedness will be issued prior to the issuance of the Environmental Infrastructure Bonds, Series 2010 (estimated date of issuance being November 4, 2010)?
- 3.10(c)** If yes to either question 3.10(a) or 3.10(b), please complete Exhibit 3.10(c) for *each* applicable debt issue and supply a copy of the Final Offering Document (or draft Preliminary Offering Document if financing has not been completed) for each such issue.

Company: _____
Project No. _____

SECTION IV

AUDITS AND TAX RETURNS

Company: _____

Project No. _____

IV. AUDITS AND TAX RETURNS

- 4.1 Copies of the audited financial and revenue statements for 2007, 2008 and 2009 to be sent only to Barbara Bisgaier at PFM and Dennis Hart at the New Jersey Environmental Infrastructure Trust .
- 4.2 Copies of the State and Federal company and personal tax returns for 2007, 2008 and 2009 to be sent only to Barbara Bisgaier at PFM and Dennis Hart at the New Jersey Environmental Infrastructure Trust.
- 4.3 Current Operating Budget and Projected Budget for a 5-year period, including debt service on the loan and any rate adjustments.
- 4.3a Revenue projections including any assumptions on which the projections are based.
- 4.3b Expense projections and any assumptions.
- 4.3c Plans for rate increases.
- 4.3d Security for the proposed loans.
- 4.4 Composition of customer base.

Company: _____
Project No. _____

EXHIBITS

Company: _____
Project No. _____

Exhibit 2.2

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF LOAN AGREEMENTS
TO BE EXECUTED BY [NAME OF COMPANY] AND EACH OF THE NEW JERSEY
ENVIRONMENTAL INFRASTRUCTURE TRUST AND THE STATE OF NEW JERSEY,
ACTING BY AND THROUGH THE DEPARTMENT OF ENVIRONMENTAL PROTECTION,
AND FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF AN
ESCROW AGREEMENT, ALL PURSUANT TO THE 2010 NEW JERSEY
ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM**

WHEREAS, [Name of Company], a corporation duly formed and validly existing under and by virtue of the laws of the State of [State] (the "Company"), has determined that there exists a need within the service area of the Company to [acquire, construct, renovate or install] [refinance] the Project (the "Project") as defined in each of that certain Loan Agreement (the "Trust Loan Agreement") to be entered into by and between the Company and the New Jersey Environmental Infrastructure Trust (the "Trust") and that certain Loan Agreement (the "Fund Loan Agreement", and together with the Trust Loan Agreement, the "Loan Agreements") to be entered into by and between the Company and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the "State"), all pursuant to the 2010 New Jersey Environmental Infrastructure Trust Financing Program (the "Program");

WHEREAS, the Company has determined to [finance] [refinance] the acquisition, construction, renovation or installation of the Project with the proceeds of a loan to be made by each of the Trust (the "Trust Loan") and the State (the "Fund Loan", and together with the Trust Loan, the "Loans") pursuant to the Trust Loan Agreement and the Fund Loan Agreement, respectively;

WHEREAS, to evidence the Loans, each of the Trust and the State require the Company to authorize, execute and deliver the Company's _____ Bonds, Series _____, to the Trust in an aggregate principal amount not to exceed \$ _____ (the "Trust Loan Bond") and _____ Bonds, Series _____, to the State in an aggregate principal amount not to exceed \$ _____ (the "Fund Loan Bond", and together with the Trust Loan Bond, the "Company Bonds") pursuant to the terms of applicable law and the Loan Agreements; and

WHEREAS, the Trust and the State have expressed their desire to close in escrow the making of the Loans, the issuance of the Company Bonds and the execution and delivery of the Loan Agreements, all pursuant to the terms of an Escrow Agreement (the "Escrow Agreement") to be entered into by and among the Trust, the State, the Company, the escrow agent named therein and [Name of Trustee], as trustee for the holders of the Company Bonds.

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

Section 1. The Trust Loan Agreement, the Fund Loan Agreement and the Escrow Agreement (collectively, the "Financing Documents") are hereby authorized to be executed and delivered on behalf of the Company by either the [Title] or the [Title] in substantially the forms attached hereto as Exhibits A, B and C, respectively, with such changes as the [Title] or the [Title] (each an "Authorized Officer"), in their respective sole discretion, after consultation with counsel and any advisors to the Company (collectively, the "Company Consultants") and after further consultation with the Trust, the State and their representatives, agents, counsel and advisors (collectively, the "Program Consultants", and together with the Company Consultants, the "Consultants"), shall determine, such determination to be conclusively evidenced by the execution of such Financing Documents by an Authorized Officer as determined hereunder. The Secretary of the Company is hereby authorized to attest to the execution of the Financing Documents by an Authorized Officer of the Company as determined hereunder and to affix the corporate seal of the Company to such Financing Documents.

Section 2. The Authorized Officers of the Company are hereby further severally authorized to (i) execute and deliver, and the Secretary of the Company is hereby further authorized to attest to such execution and to affix the corporate seal of the Company to, any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Officers or the Secretary of the Company, as applicable, in their respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution and delivery of the Financing Documents and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof.

Section 3. This resolution shall take effect immediately.

Section 4. Upon the adoption hereof, the Secretary of the Company shall forward certified copies of this resolution to

Company: _____

Project No. _____

[Name of Company Counsel], counsel to the Company, and Richard T. Nolan, Esq., McCarter & English, LLP, Bond Counsel to the Trust.

Company: _____
Project No. _____

Exhibit 2.3(a)

AWARD CERTIFICATE

I, _____, _____ of [Name of Company](the "Company"), by virtue of the authority conferred upon me pursuant to the provisions of a resolution of the Company adopted on _____, 2010 and entitled: "[Title of Resolution]", and in particular Section ___ thereof, hereby certify, determine and approve that:

1. The [Company], a corporation duly formed and validly existing under and by virtue of the laws of the State of [State] has determined that there exists a need within the Company to [acquire, construct, renovate or install] [refinance] the Project (the "Project") as defined in each of that certain Loan Agreement (the "Trust Loan Agreement") to be entered into by and between the Company and the New Jersey Environmental Infrastructure Trust (the "Trust") and that certain Loan Agreement (the "Fund Loan Agreement", and together with the Trust Loan Agreement, the "Loan Agreements") to be entered into by and between the Company and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the "State"), all pursuant to the 2010 New Jersey Environmental Infrastructure Trust Financing Program (the "Program").

2. The Company has determined to [finance] [refinance] the acquisition, construction, renovation or installation of the Project with the proceeds of a loan to be made by each of the Trust (the "Trust Loan") and the State (the "Fund Loan", and together with the Trust Loan, the "Loans") pursuant to the Trust Loan Agreement and the Fund Loan Agreement, respectively.

3. To evidence the Loans, each of the Trust and the State require the Company to authorize, execute, attest and deliver the Company's _____ Bonds, Series _____, to the Trust in an aggregate principal amount not to exceed \$ _____ (the "Trust Loan Bond") and _____ Bonds, Series _____, to the State in an aggregate principal amount not to exceed \$ _____ (the "Fund Loan Bond", and together with the Trust Loan Bond, the "Company Bonds") pursuant to the terms of applicable law, the Loan Agreements and the Escrow Agreement dated _____, 2010 (the "Escrow Agreement") by and among the Trust, the State, the Company and the escrow agent named therein.

4. In accordance with the terms of the Escrow Agreement, the Trust has sold its bonds to fund the Trust Loan, thereby enabling the Company to confirm the exact aggregate principal amount of and debt service schedule for the Company Bonds.

5. The sale of the Trust Loan Bond to the Trust and the Fund Loan Bond to the State is hereby confirmed. The Trust Loan Bond shall be released from escrow in accordance with the terms of the Escrow Agreement and thereby issued in accordance with the principal loan amount, interest rates and maturity schedule set forth in Schedule A attached hereto and made a part hereof. The Fund Loan Bond shall be released from escrow in accordance with the terms of the Escrow Agreement and thereby issued in accordance with the maturity schedule set forth in Schedule B attached hereto and made a part hereof.

IN WITNESS WHEREOF, I have hereunto set my name this ____ day of October, 2010.

Name, Title

IN WITNESS WHEREOF, I have hereunto set
My name and affixed the Seal of the [Name of Company],
in the County of _____, New Jersey
this ____ day of October, 2010.

Authorized Officer

Company: _____

Project No. _____

Exhibit 2.3(b)

**RESOLUTION CONFIRMING THE DETAILS OF THE SALE OF _____ BONDS,
SERIES _____, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____ OF
[NAME OF COMPANY] TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
PURSUANT TO THE 2010 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
FINANCING PROGRAM**

WHEREAS, [Name of Company], a corporation duly formed and validly existing under and by virtue of the laws of the State of [State] (the "Company"), has determined that there exists a need within the service area of the Company to [acquire, construct, renovate or install] [refinance] the Project (the "Project") as defined in each of that certain Loan Agreement (the "Trust Loan Agreement") to be entered into by and between the Company and the New Jersey Environmental Infrastructure Trust (the "Trust") and that certain Loan Agreement (the "Fund Loan Agreement", and together with the Trust Loan Agreement, the "Loan Agreements") to be entered into by and between the Company and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the "State"), all pursuant to the 2010 New Jersey Environmental Infrastructure Trust Financing Program (the "Program");

WHEREAS, the Company has determined to [finance] [refinance] the acquisition, construction, renovation or installation of the Project with the proceeds of a loan to be made by each of the Trust (the "Trust Loan") and the State (the "Fund Loan", and together with the Trust Loan, the "Loans") pursuant to the Trust Loan Agreement and the Fund Loan Agreement, respectively;

WHEREAS, to evidence the Loans, each of the Trust and the State require the Company to authorize, execute and deliver the Company's _____ Bonds, Series _____, to the Trust in an aggregate principal amount not to exceed \$ _____ (the "Trust Loan Bond") and _____ Bonds, Series _____, to the State in an aggregate principal amount not to exceed \$ _____ (the "Fund Loan Bond", and together with the Trust Loan Bond, the "Company Bonds") pursuant to the terms of applicable law, the Loan Agreements and the Escrow Agreement dated _____, 2010 (the "Escrow Agreement") by and among the Trust, the State, the Company, the escrow agent named therein and [Name of Trustee], as trustee for the holders of the Company Bonds; and

WHEREAS, in accordance with the terms of the Escrow Agreement, the Trust has sold its bonds to fund the Trust Loan, thereby enabling the Company to confirm the exact aggregate principal amount of and debt service schedule for the Company Bonds.

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

Section 1. The sale of the Trust Loan Bond to the Trust and the Fund Loan Bond to the State is hereby confirmed. The Trust Loan Bond shall be released from escrow in accordance with the terms of the Escrow Agreement and thereby issued in accordance with the principal loan amount, interest rates and maturity schedule set forth in **Schedule A** attached hereto and made a part hereof. The Fund Loan Bond shall be released from escrow in accordance with the terms of the Escrow Agreement and thereby issued in accordance with the maturity schedule set forth in **Schedule B** attached hereto and made a part hereof.

Section 2. This resolution shall take effect immediately.

Section 3. Upon the adoption hereof, the Secretary of the Company shall forward certified copies of this resolution to [Name of Company Counsel], counsel to the Company, and Richard T. Nolan, Esq., McCarter & English, LLP, Bond Counsel to the Trust.

[DRAFT]
EXHIBIT 2.5

TAX RELATED COVENANTS FOR PRIVATE COMPANIES

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

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

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

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

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

(v) The Local Unit shall not directly or indirectly use or permit the use of any proceeds of the Trust Bonds to pay any Cost of the Local Unit's Project that does not constitute a "capital expenditure" within the meaning of Treasury Regulations §1.150-1.

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

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

(viii) Neither the Local Unit nor any "related party" (within the meaning of Treasury Regulations §1.150-1) shall purchase Trust Bonds in an amount related to the amount of the Loan.

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

[(x) The Local Unit will not have a reserve or replacement fund (within the meaning of Section 148(d)(1) of the Code) allocable to the Local Unit Bond evidencing the Loan.]

Company: _____
Project No. _____

[(x) The Local Unit has a reserve or replacement fund (within the meaning of Section 148(d)(1) of the Code) that is allocable to the Local Unit Bond evidencing the Loan, and such reserve or replacement fund is financed with indebtedness of the Local Unit the interest on which is excluded from gross income for purposes of federal income taxation. Accordingly, amounts held in the reserve or replacement fund allocable to the Local Unit Bond evidencing the Loan shall be invested by the Local Unit at a yield not in excess of the yield on the Trust Bonds throughout the term of the Loan, unless the Local Unit receives prior written approval of the Trust. Amounts in the reserve or replacement fund allocable to the Local Unit Bond evidencing the Loan will be held in a segregated account and invested separately from any other moneys so that such amounts will not be held in a "commingled fund" (within the meaning of Treasury Regulations §1.148-1(b)). The investment restrictions contained in this subsection shall not apply in the event the Trust receives an opinion of Bond Counsel to the effect that non-compliance with such restrictions will not affect the exclusion from gross income of the interest on the Trust Bonds.]

[(x) The Local Unit has a reserve or replacement fund (within the meaning of Section 148(d)(1) of the Code) that is allocable to the Local Unit Bond evidencing the Loan, and such reserve or replacement fund is not financed with indebtedness of the Local Unit the interest on which is excluded from gross income for purposes of federal income taxation. Accordingly, amounts held in the reserve or replacement fund allocable to the Local Unit Bond evidencing the Loan shall be invested by the Local Unit at a yield not in excess of the yield on the Trust Bonds throughout the term of the Loan, unless the Local Unit receives prior written approval of the Trust. Amounts in the reserve or replacement fund allocable to the Local Unit Bond evidencing the Loan will be held in a segregated account and invested separately from any other moneys so that such amounts will not be held in a "commingled fund" (within the meaning of Treasury Regulations §1.148-1(b)). The investment restrictions contained in this subsection shall not apply in the event the Trust receives an opinion of Bond Counsel to the effect that non-compliance with such restrictions will not affect the exclusion from gross income of the interest on the Trust Bonds.]

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

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

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

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

Company: _____

Project No. _____

(h) Records and Accounts.

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

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

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

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

Company: _____
Project No. _____

EXHIBIT 3.10(c)

REFUNDING WORKSHEET

Borrower: _____

1. Name of Refunded Obligation: _____

2. Original Principal Amount of Refunded Obligation: _____

3. Dated Date of Refunded Obligation: _____

4. Date of Issuance of Refunded Obligation: _____

5. Outstanding Principal Amount of Refunded Obligation: _____

6. Date of Maturity of Refunded Obligation: _____

7. Redemption Provisions of Refunded Obligation (earliest redemption date, redemption price, etc.): _____

8. Date Trust Bond Proceeds will be used to repay the Refunded Obligation: _____

9. Will all of the bonds or notes that are part of Refunded Obligation be refunded with Trust Bond Proceeds and the Fund Loan? ___Yes ___No

10. What Amount of Refunded Obligation will be Refunded with both Trust Bond Proceeds and the Fund Loan? \$ _____

11. If less than all of the Refunded Obligation will be repaid with Trust Bond Proceeds and the Fund Loan, how will the balance of Refunded Obligation be satisfied?

12. Total Amount of Unspent Proceeds of the Refunded Obligation: \$ _____

13. Amount of Unspent Proceeds attributable to the portion of the Refunded Obligation that will be repaid with Trust Bond Proceeds and the Fund Loan? \$ _____

Company: _____

Project No. _____

14. Is the Refunded Obligation part of a Series of Refundings? Yes No

If a Series of Refundings, list each Date of Issuance and each Principal Amount and Maturity for the portion of the Refunded Obligation to be repaid from Trust Bond Proceeds and the Fund Loan:

Date(s) New Money Notes or Bonds were Issued	_____	_____	_____
Principal Amount Issued on each date	_____	_____	_____
Maturity Date	_____	_____	_____

15. Has any portion of the Refunded Obligation been advance refunded? Yes No

Special Issues or Concerns:

16. Provide a copy of the tax and arbitrage certificate executed in connection with the issuance of the Refunded Obligation and the original financing if the Refunded Obligations are part of a series of refundings.