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Date:

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM

APPLICATION FOR INTERIM PLANNING & DESIGN LOAN

PART I INTRODUCTION

A. Purpose of this Application

This Application is to request financial assistance from the New Jersey Environmental Infrastructure Financing Program (“NJEIFP”) for Environmental Planning and Engineering Design activities related to the construction of environmental infrastructure facilities (hereafter a “Interim Planning Loan” or “Loan”). Only projects that will be receiving long-term NJEIFP financing in the 2009 Financing Program are eligible to participate.

Eligible Borrower. Local government units and public water utilities (see N.J.S.A. 58:11B-3) identified on a Project Priority List (see N.J.A.C. 7:22-4.7) owning or operating the environmental infrastructure project for which Interim Planning Loan funds are sought are eligible to apply for Interim Planning Loans (hereafter “Eligible Borrower”).

Eligible Activities. Environmental Planning and Engineering Design Activities pertaining to Environmental Infrastructure projects as defined in N.J.S.A. 58:11B-3 are eligible activities.

Documents Required. Applicants are required to submit the following documents prior to the stated submission deadlines:

<u>Document</u>	<u>Deadline</u>
Fall submission package	March 2, 2009
This Application and exhibits	n/a

General Loan Terms.

- Loans are designed as temporary financing for projects which are anticipated to receive long-term NJEIFP financing in the 2009 Financing program. All loans shall mature no later than the date of issuance by the Trust of its final Trust bond issuance that shall close at any time during the 2009 Financing Program;
- Loans shall not exceed fifty (50) percent of the cost of eligible activities not to exceed \$500,000 for any environmental infrastructure project;
- Loans to local government units and public water utilities serving fewer than 10,000 residents shall be provided by the NJEIFP at an annual interest rate of zero (0) percent, and Loans to all other eligible borrowers shall be at an annual interest rate of two (2) percent; and
- Additional loan terms are set forth in document submissions and loan closing documents referenced below.

Agency Action. An entity receiving Project Planning Certification by the New Jersey Department of Environmental Protection (“NJDEP”) and the New Jersey Environmental Infrastructure Trust (“NJEIT” or “Trust”) are eligible to receive a Loan. The following factors

are considered in assessing project planning certification:

- (1) An eligible borrower;
- (2) Seeks a Loan for an eligible activity;
- (3) Has properly completed and submitted the requisite documentation;
- (4) Has satisfied the program's financing prerequisites (as set forth in the document submissions and loan closing documents);
- (5) For which there is a reasonable likelihood that NJEIFP long-term financing program approval will be granted within the 2009 Program Year as determined by the NJEIFP; and
- (6) Subject to loan terms and the availability of NJEIFP program funds.

Loan Closing. Loan closing shall occur after the issuance of Project Planning Certification. Loan disbursements shall be made for eligible activities at or subsequent to loan closing upon the NJEIFP's receipt and approval of properly completed loan requisition forms.

B. Submission of Application

This Application consists of two parts: a six (6) page application and Exhibits (hereafter "Application"). Please submit the Application to the recipients identified in Exhibit A.

C. Use of Information

The information contained in this document may be used by

1. The New Jersey Department of Environmental Protection.
2. The New Jersey Environmental Infrastructure Trust (the "Trust") and its consultants.
3. The Rating Agencies and others concerned with the Trusts bonds' credit characteristics.

D. Instructions

1. A document checklist is attached as Exhibit B which sets forth the documents included and/or otherwise referenced in this Application and identifies all documents to be submitted with this Application. Failure to include all requisite documents with the Application will result in rejection of the Application. The Exhibits referenced in this Application are incorporated by reference in this Application as if fully set forth herein.
2. The term "project" as used in this Application forms refers to the scope of work for which this Application for NJEIFP assistance is being made pursuant to N.J.A.C. 7:22-3, 4 and 5.
3. All dollar amounts requested in this Application should be rounded to the nearest dollar.
4. To the greatest extent possible, all information is to be completed on this form. Please mark "N/A" (Not Applicable) where appropriate.
5. When answering "yes" to any question regarding necessary permits, always list the permit number in the space provided.
6. If your response to a question requires you to insert one or more pages in this Application, please identify the Applicant's name, project number and the question number on the top of each added page and insert it behind the page containing the question.
7. Applicants are expected to comply with all rules applicable to the New Jersey Environmental Infrastructure Financing Program. These rules are published in N.J.A.C. 7:22-3, 4, 5, 6, 7, 8,

9 and 10. A copy of these rules is available at www.NJEIT.org/publications.htm.

8. If you have any questions regarding project eligibility, permitting, engineering design or construction, please call 609-633-1169. If you have any questions regarding the project loan process, financing or other matters, please call 609-219-8600.

PART II CONTACT INFORMATION

A. Applicant (Please Print or Type)

Legal Name of Applicant: _____

Mailing Address: _____

City: _____ State: NJ Zip Code: _____

County: _____ Federal ID Number: _____

Contact Person Name: _____ Title: _____

Tel. #: _____ Email: _____

B. Contact Sheet

Please complete and attach the Contact Sheet which is set forth as Exhibit C.

PART III PROJECT SCOPE / PROJECT COSTS

A. Project Description Please provide a brief project description of the project.

B. Estimated Construction Schedule

1. Estimated Construction Start Date: Month: _____; Year: _____
2. Estimated Construction Completion Date: Month: _____; Year: _____

C. Loan Request

1. The Applicant requests a New Jersey Environmental Infrastructure Financing Program loan in amount of \$ _____
2. The Applicant requests a New Jersey Environmental Infrastructure Financing Program Interim Planning and Design Loan in amount of \$ _____

D. Project Costs

Please complete Exhibit D to calculate project costs and Exhibit E to calculate the detailed project cost estimates. You are required to consider costs which are not allowable under the

New Jersey Environmental Infrastructure Financing Program. Additional information can be found in N.J.A.C. 7:22-5.1 through 5.12. Please call 609-633-1169 if you have questions as to whether a proposed activity is eligible for Planning Loan Financing or long-term NJEIFP financing.

E. Disbursements

1. Please complete Exhibit F to identify the anticipated project disbursement schedule.
2. Project Requisition Forms are utilized to request disbursement of Interim Planning Loan funds upon closing of the Planning Loan. Requisition Forms are set forth in Exhibit G. You are not required to complete and attach Exhibit G with your Application unless you are requesting disbursement of Planning Loans immediately upon closing of the Planning Loan.

PART IV BORROWER APPROVALS / ACTIONS

A. Letter Authorizing Loan Application.

The president of the public water utility seeking a loan is required to issue a letter designating you as the applicant's authorized representative for execution of loan documents including but not limited to this Application. Please attach a copy of the letter.

B. Finally Adopted General and Series Resolution(s)

Please attach a certified copy of the finally adopted general and series(s) resolution(s) authorizing: (i) the financing of the project, (ii) the participation of the Applicant in the 2009 Trust Financing Program, and (ii) the issuance of the Note in connection with the Interim Financing 2009 Trust Loan Program.

Please list the following information for *each* bond resolution attached in response to the foregoing request:

- (a) Date of Final Adoption:
- (b) Title of Governing Body Adopting the Resolution:
- (c) Title of Resolution:
- (d) Maximum principal amount of bonds or notes authorized by resolution: \$_____.

C. Resolution Authorizing the Issuance and Sale of a Note to the Trust and the Execution and Delivery Thereof to the Trust.

Attached as Exhibit H is the form of resolution to be adopted by the Applicant authorizing the issuance and sale of a Note to the Trust evidencing the Interim Financing Loan and authorizing the execution and delivery thereof in connection with the Applicant's participation in the Interim Financing 2009 Trust Loan Program. Please attach a certified copy of the same as finally adopted.

D. Note.

Attached as Exhibit I is the form of Note to be issued and sold by the Applicant to the Trust to evidence the Interim Financing Loan made by the Trust pursuant the Interim Financing 2009 Trust Loan Program. The Applicant must closely review this form of Note to be sure the Applicant is able to comply with the terms and conditions thereof. Please attach a form of Note to be utilized in this financing.

Is the Applicant aware of any facts that would prevent it from being able to comply with the terms and conditions of the Note? Yes____ No____. If yes, please explain.

F. Legal Opinion Letter (Litigation Representation)

The Applicant will be required to make the following representation: There are no proceedings pending or, to the knowledge of the Applicant, threatened against or affecting the Applicant that, if adversely determined, would adversely affect (i) the condition (financial or otherwise) of the Applicant, (ii) the ability of the Applicant to satisfy all of its Interim Financing Loan repayment obligations pursuant to the Note, (iii) the authorization, execution, attestation or delivery of the Note, (iv) the issuance of the Note and the sale thereof to the Trust, and (v) the Applicant's ability otherwise to observe and perform its duties, covenants, obligations and agreements pursuant to the Note. A form of the opinion letter is set forth as Exhibit J. Please attach a form of the opinion letter to be utilized for this financing.

Is the Applicant aware of any facts that would prevent it from being able to make the preceding representation? Yes____ No____. If yes, please explain.

G. Covenant to Participate in the 2009 Trust Program.

The Applicant will be required to make the following covenant: The Applicant hereby covenants and agrees that it shall undertake and complete in a timely manner all conditions precedent identified by the Trust relating to (i) the participation by the Applicant in the 2009 Trust Financing Program and (ii) the qualification by the Applicant for receipt of the 2009 Trust Loan pursuant to the 2009 Trust Financing Program.

Is the Applicant aware of any facts that would prevent it from being able to make the preceding covenant? Yes____ No____. If yes, please explain.

H. Tax Covenant.

The Applicant is required to make the following covenant:

The Applicant acknowledges and agrees that it is the intention of the Applicant to finance the project on a long term basis with proceeds of bonds now or hereinafter issued by the Trust, the interest on which is excluded from gross income for purposes of federal income taxation pursuant to Section 103(a) of the Code ("tax-exempt bonds"). In furtherance of such long term financing with tax-exempt bonds, the Applicant covenants that, except to the extent expressly permitted in writing by the Trust, the Applicant will not take any action or permit any action to be taken which would result in any of the proceeds of the Interim Financing Loan being used (directly or indirectly) to make or finance loans to persons other than the Applicant. In addition, the Applicant covenants and agrees that (i) all of the proceeds of the Interim Financing Loan will be used to pay

costs of an exempt facility, within the meaning of Section 142 of the Code, which were paid and incurred by the Applicant no more than 60 days before the date on which the Trust adopted a declaration of intent with respect to the project, and (ii) no portion of the project will be investment property, within the meaning of Section 148(b) of the Code. The Applicant covenants and agrees that any costs of the Applicant's project to be paid or reimbursed with proceeds of the Interim Financing Loan will result in the expenditure of proceeds under Treasury Regulations §1.148-6(d) and Treasury Regulations §1.150-2.

Is the Applicant aware of any facts which would prevent it from being able to make the preceding covenant? Yes____ No____. If yes, please explain.

PART V. AFFIDAVITS / ASSURANCES

The applicant's authorized representative is required to execute the following affidavits:

1. Affirming, among other things, that the representative is authorized to execute the loan application, the accuracy of the information disclosed, the applicant's commitment to reimburse the loan and all costs associated therewith. The affidavit is set forth in Exhibit K. Please attach a certified copy of the same;
2. Affirming that the applicant will comply with all administrative, program and statutory requirements. The affidavit is set forth in Exhibit L. Please attach a self-certified copy of the same; and
3. Affirming that the applicant will comply with state and federal anti-discrimination statutes. The affidavit is set forth in Exhibit M. Please attach a certified copy of the same.

PART VI. CERTIFICATION

I certify that I am a duly authorized representative of the above named applicant, and that I have read and understand this Application. I further certify that the foregoing statements made by me in this Application are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Signature of Authorized Representative

Date

Title of Authorized Representative

Printed Name of Authorized Representative

EXHIBIT A

**APPLICATION / EXHIBIT
DISTRIBUTION LIST**

Please submit the Application (inclusive of the Exhibits as specified in Exhibit B) to the following individuals:

RECIPIENT

DOCUMENTS

Stanley Cach, Assistant Director

Division of Water Quality

Mailing Address:

NJDEP, Municipal Finance and Construction Element,

P.O. Box 425, Trenton, New Jersey 08625-0405.

Phone: (609) 292-8961

Fax (609) 633-8165

1 Original + 2 Copies

Dennis Hart, Executive Director

Mailing Address:

New Jersey Environmental Infrastructure Trust

P.O. Box 440

Trenton, NJ 08625

Street Address:

New Jersey Environmental Infrastructure Trust

3131 Princeton Pike, Building 6, Suite 201

Lawrenceville, NJ 08648

Phone: (609) 219-8600

Fax: (609) 219-8620

1 Original

Clifford T. Rones, Esq., Deputy Attorney General

Division of Law

Financial Section

Hughes Justice Complex, 2nd Floor

Market and New Warren Streets

P.O. Box 112

Trenton, NJ 08625

Phone: (609) 292-1537

Fax: (609) 777-3514

1 Copy

Richard T. Nolan, Esq. (Bond Counsel)

McCarter & English, LLP

Four Gateway Center -15th Floor

100 Mulberry Street

Newark, NJ 07102

Phone: (973) 639-2096

Fax: (973) 624-7070

1 Copy

EXHIBIT B

DOCUMENT CHECKLIST:

The following documents are referenced in the New Jersey Environmental Infrastructure Financing Program (NJEIFP) Interim Environmental Planning and Engineering Design Loan Application (Application). Applicants are required to submit the completed and properly executed documents set forth below as a component of the Application:

	Document	Reference	Signature type	Due with Application	Due At Closing
1	Contact List	Exhibit C	n/a	X	
2	Budget Information Form ILP-5A	Exhibit D	n/a	X	
3	Project Cost Breakdown as per Sub Agreement Form ILP-6A	Exhibit E	n/a	X	
4	Anticipated Project Disbursement Schedule Form ILP 6B	Exhibit F	Self-certified	X	
5	Disbursement Forms	Exhibit G	Self-certified		
6	Letter Authorizing Application for NJEIFP Loan	Applic. Part III(A)	Original	X	
7	Final Adopted General and Series Resolutions	Applic. Part III(B)	Certified Copy	X	
8	Resolution Determining the Form and Other Details of the Note	Exhibit H	Certified Copy	X	
9	Form of Note Relating to 2009 Trust Loan Interim Financing Program	Exhibit I	Certified Copy	Submit Form only	X
11	Legal Opinion Letter	Exhibit J	Original	Submit Form only	X
12	Authorized Representative Affidavit	Exhibit K	Certified Copy	X	
13	Authorized Representative Statement of Assurances Form ILP3	Exhibit L	Self-certified	X	
14	Authorized Representative Civil Rights Assurances Form ILP4	Exhibit M	Certified Copy	X	

EXHIBIT C

CONTACT LIST

(Unless an up to date contact list was forwarded to the NJEIT within the last three months)

PRIMARY CONTACT PERSON:

Name & Title:

Address:

Telephone No.:

Fax No:

Email Address

BOND COUNSEL:

Name & Firm:

Address:

Telephone No.:

Fax No:

Email Address

GENERAL COUNSEL:

Name & Firm:

Address:

Telephone No.:

Fax No:

E-Mail Address:

ENGINEER:

Name & Title:

Firm:

Address:

Telephone No.:

Fax No:

E-Mail Address:

FINANCIAL ADVISOR

Name & Title:

Firm:

Address:

Telephone No.:

Fax No:

E-Mail Address:

ACCOUNTANT/AUDITOR

Name & Title:

Firm:

Address:

Telephone No.:

Fax No:

E-Mail Address:

EXHIBIT D

FORM ILP-5A

BUDGET INFORMATION (New Project)

FORM LP-5A is to be used to calculate project costs.

Name of Applicant: _____ Project # _____

INSTRUCTIONS: Please see attached.

COST CLASSIFICATION	a. Total Project Costs During Construction	b. Project Costs Not Allowable for Fund and Trust Financing	c. Allowable Costs Subtract Column b from Column a and enter below c=a-b
1. Administrative Expenses (3% of Line No. 4)	\$	\$	\$
2. Other Costs	\$	\$	\$
1. Engineering Costs	\$	\$	\$
2. Building Costs	\$	\$	\$
5. Contingencies (5% of line No. 4)	\$	\$	\$
6. Allowance for Planning and Design (see table below)	\$	\$	\$
7. TOTAL PROJECT COSTS	\$	\$	\$

EXHIBIT D (cont'd)
FORM ILP-5A INSTRUCTIONS

ITEM 1 - ADMINISTRATIVE EXPENSES

Estimated amounts needed to cover administrative and legal expenses. Allowable administrative expenses do not include costs, which are related to the normal functions of the applicant. Allowable legal costs include certain services in support of the construction of the project (i.e., review of contracts), and costs pertaining to the loan closing. Total allowable administrative expenses are limited to three percent (3%) of the allowable building costs (Line Item 4).

ITEM 2 - OTHER COSTS (Please Explain)

If applicable, enter the costs and attach a breakdown with a description of the services.

ITEM 3 - ENGINEERING FEES

Engineering fees during construction, such as basic engineering fees and engineering inspection costs (this includes costs for shop-drawing review, bidding and award of contracts, surveys, tests, construction inspection and management, start-up services, project performance reviews).

ITEM 4 - BUILDING COSTS

Estimated costs for construction of facility including demolition and removal of existing structures. Also include estimated costs of shop drawings, laboratory, office and safety equipment.

ITEM 5 - CONTINGENCIES

Five percent (5%) of Line Item 4 which will be used in the event of cost overruns.

ITEM 6 - ALLOWANCE FOR PLANNING AND DESIGN

Calculate the amount for the planning and design allowance in accordance with the attached: Table 1 - Allowance for Facilities Planning and Design.

ALLOWANCE FOR FACILITIES PLANNING AND DESIGN

Building Cost Allowance

\$1,000,000 or less

Allowance

25 percent of the allowable building cost; up to a maximum of \$250,000.

\$1,000,000 to \$10,000,000

\$250,000 plus 12 percent of the allowable building cost over \$1,000,000; up to a maximum of \$1,330,000.

\$10,000,000 to \$100,000,000

\$1,330,000 plus six percent of the allowable building cost over \$10,000,000; up to a maximum of \$6,730,000.

Over \$100,000,000

\$6,730,000 plus five percent of the allowable building cost over \$100,000,000

EXHIBIT E

FORM ILP6A

**PROJECT COST BREAKDOWN PER "SUB AGREEMENT"
FOR CONSTRUCTION**

Name of Applicant: _____ Project # _____

ENGINEERING	TOTAL COST	ALLOWABLE COST
Contract No.	\$	\$
Contract No.	\$	\$
Contract No.	\$	\$
Contract No.	\$	\$
Contract No.	\$	\$
Subtotal		

CONSTRUCTION	TOTAL COST	ALLOWABLE COST
Contract No.	\$	\$
Contract No.	\$	\$
Contract No.	\$	\$
Contract No.	\$	\$
Contract No.	\$	\$
Subtotal		

EXHIBIT G

**NEW JERSEY ENVIRONMENTAL FINANCING PROGRAM
INTERIM FINANCING LOAN DISBURSEMENT REQUISITION**

Name of Borrower: _____

Project No: _____ IFP-09-_____

This requisition is made in accordance with Section 4 of the [Name of Borrower] Note Relating to the Interim Financing 2009 Trust Loan Program of the New Jersey Environmental Infrastructure Trust. Terms defined in the Note and not defined in this Disbursement Requisition shall have the same meanings when used herein.

The Borrower hereby states as follows:

- (a) This is Requisition Number: _____
- (b) The amount requisitioned hereunder, subject to the approval of the Trust is _____
- (c) The person, firm or corporation to whom the amount requisitioned is due, or to whom a reimbursable advance has been made, is* _____

- (d) The payee of the requisitioned amount is* _____

- (e) The manner of payment to the payee is to be _____ Wire transfer _____ Check
- (f) Attached hereto is a statement, copy of a bill or other proof that the amount requisitioned hereunder is currently due or has been advanced by the Borrower.
- (g) The amount hereby requisitioned is an allowable Cost for the Project. This amount has not been paid or reimbursed and has not been the basis of any previous requisition.
- (h) On the date hereof, there does not exist any Event of Default under the Note nor any condition which, with passage time or the giving of notice, or both, would constitute an Event of Default there under.
- (i) Annexed hereto is a certificate of _____
Engineer for the Project, certifying that the amounts requisitioned hereunder constitute proper Costs of the Project.

*Attach schedule, if necessary.

**New Jersey Environmental Infrastructure Trust
Interim Financing Trust Loan Disbursement Requisition**
(Cont'd)

(j) The amount requisitioned hereunder, together with all prior amounts disbursed under the Note, does not exceed the amount permitted to be disbursed under the Note.

(k) The undersigned is an Authorized Officer of the Borrower duly authorized to submit this requisition.

(l) The Borrower re-affirms that all representations made in the Note are true and accurate as of the date of this requisition that it shall continue to observe and perform all of its duties, covenants, obligations and agreements under the Note.

BORROWER: _____

BY: _____
(Signature)

(Typed Name and Title)

DATED: _____

EXHIBIT H

RESOLUTION OF [NAME OF PRIVATE BORROWER], DETERMINING THE FORM AND OTHER DETAILS OF ITS “NOTE RELATING TO THE INTERIM FINANCING 2009 TRUST LOAN PROGRAM OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST”, TO BE ISSUED IN THE PRINCIPAL AMOUNT OF UP TO \$_____, AND PROVIDING FOR THE ISSUANCE AND SALE OF SUCH NOTE TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH NOTE BY [NAME OF PRIVATE BORROWER] IN FAVOR OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, ALL PURSUANT TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST INTERIM FINANCING 2009 TRUST LOAN PROGRAM.

WHEREAS, the [Name of Borrower], a corporation duly formed and validly existing under and by virtue of the laws of the State of New Jersey (the “Borrower”), has determined that there exists a need within the service area of the Borrower to [acquire, construct, renovate or install] [refinance] a project consisting of _____ (the “Project”), and it is the desire of the Borrower to obtain financing for such Project through participation in the 2009 financing program (the “2009 Environmental Infrastructure Financing Program”) of the New Jersey Environmental Infrastructure Trust (the “Trust”);

WHEREAS, the Borrower has determined to temporarily [finance] [refinance] the [acquisition, construction, renovation or installation of] the Project prior to the closing with respect to the 2009 Environmental Infrastructure Financing Program (scheduled to occur on November 5, 2009), and to undertake such temporary financing with the proceeds of an interim loan to be made by the Trust (the “Interim Loan”) to the Borrower, pursuant to the Interim Financing 2009 Trust Loan Program of the Trust (the “Interim Financing Program”);

WHEREAS, in order to (i) evidence and secure the repayment obligation of the Borrower to the Trust with respect to the Interim Loan and (ii) satisfy the requirements of the Interim Financing Program, it is the desire of the Borrower to issue and sell to the Trust the “Note Relating to the Interim Financing 2009 Trust Loan Program of the New Jersey Environmental Infrastructure Trust” in an aggregate principal amount of up to \$_____ (the “Note”);

WHEREAS, N.J.S.A. 58:11B-9 allows for the sale of the Note to the Trust, without any public offering, all pursuant to the terms and conditions set forth therein.

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Borrower as follows:

Section 1. In accordance with N.J.S.A. 58:11B-9, the Borrower hereby authorizes the issuance, sale and award of the Note in accordance with the provisions hereof. The obligation represented by the Note has been authorized by the [resolution][indenture] of the Borrower, which [resolution][indenture] is entitled “[Title]” (the “Borrower Note Resolution”) and was

finally adopted by the Borrower at a meeting duly called and held on [Date], at which time a quorum was present and acted throughout, all pursuant to applicable law.

Section 2. The _____ of the Borrower (the “Authorized Officer”) is hereby authorized to determine pursuant to the terms and conditions hereof and of the Borrower Note Resolution (i) the final principal amount of the Note (subject to the maximum limitation set forth in Section 4(a) hereof), and (ii) the dated date of the Note.

Section 3. Any determination made by the Authorized Officer pursuant to the terms hereof shall be conclusively evidenced by the execution and attestation of the Note by the parties authorized pursuant to Section 4(h) hereof.

Section 4. The Borrower hereby determines that certain terms of the Note shall be as follows:

- (a) the principal amount of the Note to be issued shall be an amount up to \$_____;
- (b) the maturity of the Note shall be November 5, 2009;
- (c) the interest rate of the Note shall be 2.0% per annum;
- (d) the purchase price for the Note shall be par;
- (e) the Note shall be subject to prepayment prior to its stated maturity in accordance with the terms and conditions of the Note;
- (f) the Note shall be issued in a single denomination and shall be numbered “IFP-09-____”;
- (g) the Note shall be issued in fully registered form and shall be payable to the registered owner thereof as to both principal and interest in lawful money of the United States of America; and
- (h) the Note shall be executed by the manual or facsimile signatures of the _____ (the “Authorized Officer”) under official seal or facsimile thereof affixed, printed, engraved or reproduced thereon and attested by the manual signature of the Assistant Secretary of the Borrower (the “Assistant Secretary”).

Section 5. The Note shall be substantially in the form attached hereto as Exhibit A.

Section 6. The law firm of [Name of Borrower Bond Counsel] is hereby authorized to arrange for the printing of the Note, which law firm may authorize McCarter & English, LLP, bond counsel to the Trust for the Interim Financing Program, to arrange for same.

Section 7. The Authorized Officer of the Borrower is hereby further authorized to (i) execute and deliver, and the Assistant Secretary is hereby further authorized to attest to such execution and to affix the corporate seal of the Borrower to, any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Officer or the Assistant Secretary, as applicable, in their respective sole discretion, after consultation with counsel and any advisors to the Borrower and after further consultation with the Trust and its representatives, agents, counsel and advisors, to be executed in connection with the issuance and sale of the Note and the participation of the Borrower in the Interim Financing Program, 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 Officer and the Assistant Secretary deem necessary,

desirable or convenient in relation to the execution and delivery of the Note and the participation of the Borrower in the Interim Financing Program.

Section 8. This resolution shall take effect immediately.

Section 9. Upon the adoption hereof, the Assistant Secretary shall forward certified copies of this resolution to [Name of Borrower Bond Counsel], bond counsel to the Borrower, Dennis Hart, Executive Director of the Trust, and Richard T. Nolan, Esq., McCarter & English, LLP, bond counsel to the Trust.

EXHIBIT I
[form of note]

[NAME OF PRIVATE BORROWER]
NOTE
RELATING TO:
THE INTERIM FINANCING 2009 TRUST LOAN PROGRAM
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

\$ _____, 2009
IFP-09_____

FOR VALUE RECEIVED, _____, a corporation duly created and validly existing pursuant to the laws of the State (as hereinafter defined), and its successors and assigns (the “Borrower”), hereby promises to pay to the order of the **NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**, a public body corporate and politic with corporate succession, duly created and validly existing under and by virtue of the Act (as hereinafter defined) (the “Trust”), the Principal (as hereinafter defined), together with all unpaid accrued Interest (as hereinafter defined), fees, late charges and other sums due hereunder, if any, in lawful money of the United States of America, on the Maturity Date (as hereinafter defined) or the date of any optional prepayment or acceleration in accordance with the provisions of this note (this “Note”).

SECTION 1. Definitions. As used in this Note, unless the context requires otherwise, the following terms shall have the following meanings:

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

“**Administrative Fee**” means a fee of up to four-tenths of one percent (.40%) of that portion of the Principal identified in clause (i) of the definition thereof (as set forth in this Section 1), or such lesser amount, if any, as the Trust may determine from time to time.

“**Anticipated Financing Program**” means the financing program of the Trust, pursuant to which the Trust will issue, on or about November 5, 2009, its Trust Bonds for the purpose of financing, on a long term basis, the Project and other projects of certain qualifying borrowers.

“**Anticipated Long Term Loan**” means the long term loan made by the Trust to the Borrower from the proceeds of its Trust Bonds, as part of the Anticipated Financing Program.

“**Authorized Officer**” means any person authorized by the Borrower or the Trust, as the case may be, to perform any act or execute any document relating to the Loan or this Note.

“**Borrower Note Resolution**” means the [resolution][indenture] of the Borrower entitled “[_____]”, [adopted on][dated] [_____], as amended and supplemented from time to time, pursuant to which this Note has been issued.

“**Business Corporation Law**” means the “New Jersey Business Corporation Act”,

constituting Chapter 263 of the Pamphlet Laws of 1968 of the State (codified at N.J.S.A. 14A:1-1 *et seq.*), as the same may from time to time be amended and supplemented.

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

“Cost” means those costs that are allocable to the Project, as shall be determined on a project-specific basis in accordance with the Regulations, as the same may be amended by subsequent eligible costs as evidenced by a certificate of an Authorized Officer of the Trust.

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

“Environmental Infrastructure System” means the Environmental Infrastructure Facilities of the Borrower, including the Project, for which the Borrower is receiving the Loan.

“Event of Default” means any occurrence or event specified in Section 6 hereof.

“Interest” means the interest charged on the Loan at a rate of two percent (2.00%) per annum and payable by the Borrower to the Trust (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan, on the date of such optional prepayment or acceleration, as the case may be.

“Loan” means the loan of the Principal, made by the Trust to the Borrower to finance or refinance a portion of the Cost of the Project, as evidenced by this Note.

“Loan Disbursement Requisition” means the requisition, to be executed by an Authorized Officer of the Borrower and approved by the New Jersey Department of Environmental Protection, in a form to be determined by the Trust and the New Jersey Department of Environmental Protection.

“Maturity Date” means November 5, 2009, or such other date to which the repayment of the Loan shall be extended by the Trust in its sole discretion, which extension by the Trust shall be in connection with a delay in the closing for the Anticipated Financing Program.

“Principal” means the principal amount of the Loan, at any time being the lesser of (i) _____ Dollars (\$ _____), or (ii) the aggregate outstanding amount as shall actually be disbursed to the Borrower by the Trust pursuant to one or more Loan Disbursement Requisitions, which Principal shall be payable by the Borrower to the Trust (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan, on the date of such optional prepayment or acceleration, as the case may be.

“Project” means the Environmental Infrastructure Facilities of the Borrower which constitutes a project for which the Trust is making the Loan to the Borrower.

“Regulations” means the rules and regulations, as applicable, now or hereafter promulgated pursuant to N.J.A.C. 7:22-3 *et seq.*, 7:22-4 *et seq.*, 7:22-5 *et seq.*, 7:22-6 *et seq.*,

7:22-7 *et seq.*, 7:22-8 *et seq.*, 7:22-9 *et seq.* and 7:22-10 *et seq.*, as the same may from time to time be amended and supplemented.

“**Revenues**” means “[_____] Revenues” as defined in the Borrower Note Resolution.

“**State**” means the State of New Jersey.

“**Trust Bonds**” means the revenue bonds of the Trust to be issued, as part of the Anticipated Financing Program.

SECTION 2. Representations of the Borrower. The Borrower represents and warrants to the Trust:

(a) Organization. The Borrower: (i) is a corporation duly created and validly existing under and pursuant to the Constitution and laws of the State, including the Business Corporation Law; (ii) has full legal right and authority to execute, attest and deliver this Note, to authorize the authentication of this Note, to sell this Note to the Trust, and to perform its obligations hereunder, and (iii) has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the issuance of this Note, the authentication of this Note, the sale thereof to the Trust and the due performance of its obligations hereunder and (B) the execution, delivery and due performance of all certificates and other instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out and give effect to this Note.

(b) Authority. This Note has been duly authorized by the Borrower, duly executed, attested and delivered by Authorized Officers of the Borrower, and duly authenticated by the trustee or the paying agent pursuant to the Borrower Note Resolution. This Note has been duly sold by the Borrower to the Trust and duly issued by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforcement thereof may be affected by bankruptcy, insolvency or other laws or the application by a court of legal or equitable principles affecting creditors’ rights.

(c) Pending Litigation. There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that, if adversely determined, would adversely affect (i) the condition (financial or otherwise) of the Borrower, (ii) the adoption of the Borrower Note Resolution, (iii) the ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iv) the authorization, execution, attestation, authentication or delivery of this Note, (v) the issuance of this Note and the sale thereof to the Trust, and (vi) the Borrower’s ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Note.

(d) Compliance with Existing Laws and Agreements; Governmental Consent. (i) The authorization, execution, attestation and delivery of this Note by the Borrower, (ii) the authentication of this Note by the trustee or paying agent pursuant to the Borrower Note Resolution, (iii) the adoption of the Borrower Note Resolution, (iv) the sale of this Note to the Trust, (v) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder, including, without limitation, the repayment of the Loan and all other amounts due hereunder, and (vi) the undertaking and completion of the Project, will not (A)

other than the lien, charge or encumbrance created by this Note and by any other outstanding debt obligations of the Borrower that are at parity with this Note as to lien on, and source and security for payment thereon from, the Revenues of the Borrower's Environmental Infrastructure System, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations are subject. The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the authorization, execution, attestation, authentication and delivery of this Note, for the sale of this Note to the Trust, for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Note, and for the undertaking and completion of the Project.

(e) Reliance. The Borrower hereby acknowledges that the Trust is making the Loan to the Borrower pursuant to the terms hereof in reliance upon each of the representations of the Borrower set forth in this Section 2.

SECTION 3. Covenants of the Borrower.

(a) Participation in the Anticipated Financing Program. The Borrower covenants and agrees that it shall undertake and complete in a timely manner all conditions precedent identified by the Trust relating to (i) the participation by the Borrower in the Anticipated Financing Program and (ii) the qualification by the Borrower for receipt of the Anticipated Long Term Loan.

(b) Pledge. The Borrower irrevocably pledges the Revenues in accordance with the terms of, and to the extent provided in, the Borrower Note Resolution, for the punctual payment of any and all obligations and amounts due under this Note.

(c) Disposition of Environmental Infrastructure System. The Borrower covenants and agrees that it shall not sell, lease, abandon or otherwise dispose of all or substantially all of its Environmental Infrastructure System without the express written consent of the Trust, which consent may or may not be granted by the Trust in its sole discretion.

(d) Financing With Tax Exempt Bonds. The Borrower acknowledges, covenants and agrees that it is the intention of the Borrower to finance the Project on a long term basis with proceeds of Trust Bonds now or hereinafter issued, the interest on which is excluded from gross income for purposes of federal income taxation pursuant to Section 103(a) of the Code ("tax-exempt bonds"). In furtherance of such long term financing with tax-exempt bonds, the Borrower covenants that, except to the extent expressly permitted in writing by the Trust, the Borrower will not take any action or permit any action to be taken which would result in any of the proceeds of the Loan being used (directly or indirectly) to make or finance loans to persons

other than the Borrower. In addition, the Borrower covenants and agrees that (i) all of the proceeds of the Loan will be used to pay costs of an exempt facility, within the meaning of Section 142 of the Code, which were paid and incurred by the Borrower no more than 60 days before the date on which the Trust adopted a declaration of intent with respect to the Project, and (ii) no portion of the Project will be investment property, within the meaning of Section 148(b) of the Code. The Borrower covenants and agrees that any Costs of the Borrower's Project to be paid or reimbursed with proceeds of the Loan will result in the expenditure of proceeds under Treasury Regulations §1.148-6(d) and Treasury Regulations §1.150-2.

(e) Operation and Maintenance of Environmental Infrastructure System. The Borrower covenants and agrees that it shall maintain its Environmental Infrastructure System in good repair, working order and operating condition, and make all necessary and proper repairs and improvements with respect thereto.

(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it shall keep accurate records and accounts for its Environmental Infrastructure System, separate and distinct from its other records and accounts, which shall be audited annually by an independent registered certified public accountant and shall be made available for inspection by the Trust upon prior written notice. The Borrower shall permit the Trust to inspect the Environmental Infrastructure System.

(g) Insurance. The Borrower covenants and agrees that it shall maintain insurance policies providing against risk of direct physical loss, damage or destruction of its Environmental Infrastructure System, in an amount that will satisfy all applicable regulatory requirements. The Borrower covenants and agrees that it shall include, or cause to be included, the Trust as an additional "named insured" on any certificate of liability insurance procured by the Borrower and by any contractor or subcontractor for the Project.

(h) Reliance. The Borrower hereby acknowledges that the Trust is making the Loan to the Borrower pursuant to the terms hereof in reliance upon each of the covenants of the Borrower set forth in this Section 3.

SECTION 4. Disbursement of the Loan Proceeds; Amounts Payable; Prepayment; and Late Fee. The Trust shall effectuate the Loan to the Borrower by making one or more disbursements to the Borrower promptly after receipt by the Trust of a Loan Disbursement Requisition, each such disbursement and the date thereof to be recorded by an Authorized Officer of the Trust on the table attached as Exhibit A hereto. The latest date upon which the Borrower may submit to the Trust a Loan Disbursement Requisition is October 20, 2009. On the Maturity Date, the Borrower shall repay the Loan to the Trust in an amount equal to: (i) the Principal; (ii) the Interest; (iii) the Administrative Fee, if any; and (iv) any other amounts due and owing pursuant to the provisions of this Note. The Borrower may prepay the Loan obligations hereunder, in whole or in part, upon receipt of the prior written consent of an Authorized Officer of the Trust. Each payment made to the Trust shall be applied to the payment of, *first*, the Interest then due and payable, *second*, the Principal, *third*, the Administrative Fee, if any, *fourth*, any late charges, and *finally*, any other amount due pursuant to the provisions of this Note. In the event that the repayment obligation set forth in this Note is received by the Trust later than the Maturity Date, a late fee shall be payable to the Trust in an amount equal to the greater of twelve percent (12%) per annum or the prime rate as published in the *Wall Street Journal* on the Maturity Date plus one half of one percent per annum on such late payment from

the Maturity Date to the date it is actually paid; provided, however, that any late payment charges incurred hereunder shall not exceed the maximum interest rate permitted by law.

SECTION 5. Unconditional Obligations. The obligation of the Borrower to make the Loan repayments and all other payments required hereunder and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner whatsoever while any Loan repayments, or any other payments due hereunder, remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project or Environmental Infrastructure System, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the Trust to perform and observe any agreement or any duty, liability or obligation arising out of this Note, or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might have against the Trust or any other party; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

SECTION 6. Events of Default. The following events shall constitute an “Event of Default” hereunder: (i) failure by the Borrower to pay, when due, any and all of its Loan repayment obligations hereunder, and any other payment obligations due hereunder; (ii) failure by the Borrower to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed pursuant to the terms of this Note; (iii) any representation made by the Borrower contained in this Note or in any instrument furnished in compliance with or with reference to this Note is false or misleading in any material respect; and (iv) a petition is filed by or against the Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Note or thereafter enacted, unless in the case of any such petition filed against the Borrower such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal, or the Borrower shall become insolvent or bankrupt or shall make an assignment for the benefit of its creditors, or a custodian of the Borrower or any of its property shall be appointed by court order or take possession of the Borrower or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

SECTION 7. Remedies upon Event of Default. Whenever an Event of Default shall have occurred and be continuing pursuant to the terms hereof, the Borrower hereby acknowledges and agrees to the rights of the Trust to take any action permitted or required at law or in equity to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder. If an Event of Default shall have occurred, the Borrower hereby acknowledges and agrees that the Trust shall have the right to declare all Loan repayments and all other amounts due hereunder to be due and payable immediately without further notice or demand. The Borrower hereby acknowledges and agrees that no remedy herein is intended to be exclusive, and every remedy shall be cumulative and in addition to every other remedy given under this Note or now or hereafter existing at law or in equity. The Borrower hereby further acknowledges and agrees that no delay or omission by the Trust to exercise any remedy or right accruing upon any Event of Default shall impair any such remedy or right or shall be construed

to be a waiver thereof, but any such remedy or right may be exercised as often as may be deemed expedient. The Borrower hereby agrees that upon demand it shall pay to the Trust the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred in the collection of Loan repayments or any sum due hereunder or in the enforcement of the observation or performance of any obligations or agreements of the Borrower upon an Event of Default. Any moneys collected by the Trust pursuant to this Section 7 shall be applied first to pay any attorneys' fees or other fees and expenses owed by the Borrower.

SECTION 8. Certain Miscellaneous Provisions. The Borrower hereby agrees as follows: (a) all notices hereunder shall be deemed given when hand delivered or when mailed by registered or certified mail, postage prepaid, to the Borrower at the following address: [Name and Address of Borrower, Attention: Name of Authorized Officer]; and to the Trust at the following address: New Jersey Environmental Infrastructure Trust, P.O. Box 440, Trenton, New Jersey 08625, Attention: Executive Director; (b) this Note shall be binding upon the Borrower and its successors and assigns; (c) in the event any provision of this Note is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof; (d) the obligations of the Borrower pursuant to the terms of this Note may not be assigned by the Borrower for any reason, unless the Trust shall have approved said assignment in writing; (e) this Note may not be amended, supplemented or modified without the prior written consent of the Trust; (f) this Note shall be governed by and construed in accordance with the laws of the State; (g) the Borrower shall, at the request of the Trust, execute and deliver such further instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Note; and (h) whenever the Borrower is required to obtain the determination, approval or consent of the Trust pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the Trust in its sole and absolute discretion.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed, sealed and delivered on the date first above written.

[NAME OF BORROWER]

[SEAL]

ATTEST:

By: _____
Authorized Officer

Authorized Officer

EXHIBIT I (cont'd)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Note is delivered pursuant to the within-mentioned Borrower Note Resolution.

_____,
as Trustee

By: _____
Authorized Signatory

EXHIBIT J
Form of Legal Opinion

[LETTERHEAD OF COUNSEL TO BORROWER]

_____, 2009

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

Re: Interim Financing 2009 Trust Loan Program
of the New Jersey Environmental Infrastructure Trust
[Name of Borrower]

Ladies and Gentlemen:

We have acted as counsel to the [Name of Borrower], a [municipal corporation] [political subdivision] [corporation] of the State of New Jersey (the “Borrower”) in connection with the authorization, issuance, sale, execution and delivery by the Borrower of its Note (as hereinafter defined) to the New Jersey Environmental Infrastructure Trust (the “Trust”) in connection with the Interim Financing 2009 Trust Loan Program of the Trust. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Note.

In so acting, we have examined the Constitution and laws of the State of New Jersey, including, without limitation, [the “Local Bond Law”, P.L. 1960, c. 169, as amended (N.J.S.A. 40A:2-1 *et seq.*),] [the “Municipal Qualified Bond Act”, P.L. 1976, c. 38, as amended (N.J.S.A. 40A:3-1 *et seq.*),] [the “Local Authority Fiscal Control Law”, P.L. 1983, c. 313, as amended (N.J.S.A. 40A:5A-1 *et seq.*),] [the “New Jersey Business Corporation Act”, P.L. 1968, c. 263, as amended (N.J.S.A. 14A:1-1 *et seq.*] and the various [ordinances,] [indentures,] and resolutions of the Borrower identified herein. We also have examined originals, or copies certified or otherwise identified to our satisfaction, of the following:

(a) the proceedings of the governing body of the Borrower relating to the approval of the Note and the issuance, sale, execution and delivery thereof on behalf of the Borrower to the Trust and the authorization of the undertaking and completion of the Project;

(b) the Note of the Borrower, dated as of _____, 2009 (the “Note”), issued by the Borrower to the Trust to evidence the repayment of the Loan and all other amount payable by the Borrower pursuant to the terms of the Note; and

(c) **the proceedings (together with the proceedings referred to in clause (b) above and Section 5 below, the “Proceedings”) of the governing body of the Borrower, including, without limitation, [[a] bond ordinance[s] of the Borrower finally adopted on [.....] [and [.....], respectively,] and [respectively] entitled “[TITLE OF ORDINANCE]” [and “[TITLE OF ORDINANCE]”], [[an] indenture[s] of the Borrower finally adopted on [.....] [and], [respectively,] entitled “[TITLE OF INDENTURE]” [and “[TITLE OF INDENTURE]”] (the “Borrower Note Resolution”), and [a] resolution[s] of the Borrower adopted on [.....] [and [.....], respectively,] and [respectively] entitled “Resolution of the [Name Of Local Unit], in the County of [County], New Jersey, Determining the Form and Other**

Details of Its ‘Note Relating to the Interim Financing 2009 Trust Loan Program of the New Jersey Environmental Infrastructure Trust’, to be Issued in the Principal Amount of Up To \$_____, and Providing for the Issuance and Sale of Such Note to the New Jersey Environmental Infrastructure Trust, and Authorizing the Execution and Delivery of Such Note By the [Name Of Local Unit] in Favor of the New Jersey Environmental Infrastructure Trust, All Pursuant to the New Jersey Environmental Infrastructure Trust Interim Financing 2009 Trust Loan Program” [and “[TITLE OF RESOLUTION]”] (collectively, the “Borrower Note Proceedings”), all relating to the authorization of the Note and the issuance, sale, execution and delivery thereof to the Trust.

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

We are of the opinion that:

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

2. The Borrower has full legal right and authority to issue, sell, execute, and deliver the Note to the Trust, to observe and perform its duties, covenants, obligations and agreements under the Note, including, without limitation, the repayment of the Loan and all other amounts due thereunder, and to undertake and complete the Project.

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

4. The Borrower has irrevocably pledged [its full faith and credit and covenanted to exercise its unlimited taxing powers][the revenues payable pursuant to the Borrower Bond Resolution in accordance with and to the extent provided in the Borrower Bond Resolution] for the punctual repayment of the Loan and all other amounts due pursuant to the Note according to its terms. [The Note is entitled to the benefits of the Municipal Qualified Bond Act.]

5. The proceedings of the Borrower’s governing body (i) authorizing the issuance, sale, execution, and delivery on behalf of the Borrower of the Note to the Trust, (ii) authorizing the Borrower to consummate the transactions contemplated by the Note, (iii) authorizing the Borrower to undertake and complete the Project, and (iv) authorizing the execution and delivery of all other certificates, agreements, documents and instruments in connection with the execution and delivery of the Note, have each been duly and lawfully adopted and authorized in accordance with applicable law and applicable [ordinances][indentures] or resolutions of the Borrower, including, without limitation and where applicable, the [Local Bond Law] [and the Municipal Qualified Bond Act][Local Authority Fiscal Control Law][New Jersey Business Corporation Act], the Borrower Note Proceedings and the other Proceedings, which Proceedings constitute all of the actions necessary to be taken by the Borrower to authorize its actions contemplated by clauses (i) through (iv) above and which Proceedings were duly

approved [and published, where necessary,] in accordance with applicable New Jersey law at a meeting or meetings duly [called pursuant to necessary public notice and] held in accordance with applicable New Jersey law and at which quorums were present and acting throughout.

6. The Note has been duly authorized, issued, sold, executed, and delivered by the Authorized Officers of the Borrower to the Trust and the Note constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally. No opinion is rendered as to the availability of any particular remedy.

7. The authorization, issuance, sale, execution, and delivery of the Note by the Borrower to the Trust, the observation and performance by the Borrower of its duties, covenants, obligations and agreements thereunder, including, without limitation, the repayment of the Loan and all other amounts due pursuant to the Note, the consummation of the transactions contemplated therein, and the undertaking and completion of the Project do not and will not (i) other than the lien, charge or encumbrance created by the Note and by any other outstanding debt obligations of the Borrower that are at parity with the Note as to lien on, and source and security for payment thereon from, the [general tax revenues of the Borrower][revenues payable pursuant to the Borrower Bond Resolution], result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (ii) result in any breach of any of the terms, conditions or provisions of, or (iii) constitute a default under, any existing [ordinance, or] resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations is subject.

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

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

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

11. To the best of our knowledge, upon due inquiry, (i) all representations made by the Borrower as set forth in the Note are true, accurate and complete, and (ii) all expectations contained therein are reasonable, and we know of no reason why the Borrower would be unable to comply on a continuing basis with the covenants set forth in the Note.

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

Very truly yours,

EXHIBIT K

AFFIDAVIT

I, _____, the undersigned authorized representative of _____, the applicant (the "Applicant") for an interim Planning and Design loan (the "Interim Planning Loan") from the New Jersey Environmental Infrastructure Trust (the "Trust"), being duly sworn according to law, upon my oath depose and say that:

1. I have read and reviewed the information contained in this Interim Financing Planning and Design Loan Application (Application) and in the documents attached to this Application;
2. The information contained in this Application and the documents attached hereto are true, correct, and complete to the best of my knowledge, information and belief;
3. The documents attached to this Application are true, correct, and complete copies of documents contained in the Applicant's files;
4. By execution of this affidavit, I agree, on behalf of the Applicant, 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 Interim Planning Loan is actually made. The Trust will not undertake any expense without the prior notification to the Applicant;
5. As evidenced by the ATTACHED CERTIFIED COPY OF RESOLUTION ADOPTED BY THE LOCAL GOVERNMENT UNIT , OR LETTER BY THE OWNER(S) OF THE PRIVATELY OWNED PUBLIC OR NONPROFIT NONCOMMUNITY WATER SYSTEMS, the undersigned representative has been authorized to file this application;
6. The applicant has agreed that if a Fund and a Trust loan for the project is made pursuant to N.J.A.C. 7:22-3, 4 and 5 (rules of the New Jersey Department of Environmental Protection and the New Jersey Environmental Infrastructure Trust), the applicant will pay all costs of the approved project not covered by the Fund and Trust loans; and
7. The applicant agrees that all statements, data and supporting documents made or submitted by the applicant in connection with any applications for State or Federal assistance for the project are to be deemed a part of this application as if they were herein repeated and set forth in full.

Dated: _____, 2009

By: _____
Signature, Title

Sworn to and subscribed
before me this _____ day of,

_____, 2009

By: _____
Name, Title

[SEAL]

EXHIBIT L

FORM ILP-3 STATEMENT OF ASSURANCES

As authorized representative of (Applicant Name) _____,

I, _____, agree to comply with the laws, rules, policies, requirements and conditions relating to the New Jersey Environmental Infrastructure Financing Program for this project.

The Applicant:

ADMINISTRATIVE REQUIREMENTS

1. Has the legal, institutional, managerial, technical and financial capability to ensure adequate construction and operation and maintenance (including replacement) of the environmental infrastructure facilities, and has analyzed the local share of the costs of the proposed environmental infrastructure facilities, including the financial impact on the service area.
2. Will give the New Jersey Department of Environmental Protection (DEP) and the New Jersey Environmental Infrastructure Trust (Trust) through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the loan, and will establish an accounting system in accordance with generally accepted accounting principles and auditing standards.
3. Has a fee simple title or such other estate or interest in the site of the project, including necessary easements and rights-of-way as the DEP finds sufficient to assure undisturbed use and possession for the purposes of construction and operation for the estimated life of the project, and will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from DEP.
4. For local government units, will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or gives the appearance of constituting a personal or organizational conflict of interest, and shall otherwise comply with the DEP's minimum standards of conduct found in N.J.A.C. 7:22-8.1 et seq.
5. Will ensure that the facilities under its ownership, lease or supervision used to accomplish the project are not listed on the U. S. Environmental Protection Agency's (EPA) list of Violating Facilities, and will notify the DEP of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for such listing by EPA.
6. Has not or shall not enter into any contract and has not or shall not award any subcontract to any person(s) included on EPA's or the New Jersey State Treasurer's List of Debarred, Suspended or Disqualified Bidders as a result of action by any Federal or State agency for the building of the project.
7. Has not violated any Federal, State or local law pertaining to fraud, bribery, graft or collusion.

PROGRAMMATIC REQUIREMENTS

8. Fully expects to receive the necessary permitting and NJEIFP program approvals and secure long-term NJEIFP financing in the 2009 NJEIFP Program Year.

9. Will obtain approval by DEP of the final design drawings and specifications before the project is advertised for bidding, and will complete the project in accordance with the application, facilities plan/project report, plans and specifications and other documents or amendments thereto approved by the DEP.
10. Will provide and maintain competent and adequate engineering supervision under the direction of a Professional Engineer, licensed in the State of New Jersey, who shall ensure that the construction conforms with the accepted plans and specifications, who shall furnish progress reports and such other information as DEP may require and who shall certify to the DEP that the completed work is in conformance with accepted plans and specifications.
11. Will operate and maintain the environmental infrastructure facilities in accordance with the minimum standards as required by the pertinent Federal, State and local agencies for the maintenance and operation of such facilities; and in accordance with all permits.
12. Will retain sufficient qualified operation and management personnel from the time of completion of construction or initiation of operation, whichever, is earlier, until such time as the operation of the facility is discontinued, and the applicant shall retain a qualified chief operating officer or executive director.
13. Will initiate procurement action for building all significant elements of the project within 12 months of the loan closing; and will diligently pursue completion of the project.
14. Will assure that, if assistance is for a new system which is allowable, the existing population will connect to the system within a reasonable time after project completion.
15. Will assure that the environmental infrastructure facilities for which this application is requesting funds, are made operational according to the project schedule submitted herewith, regardless of whether additional funding is received.
16. Will have available sufficient funds to pay that portion of the project costs not covered by the financial assistance being applied for with this application, and shall use these funds to make such payments.
17. For projects sponsored by local government units, will require the contractor to provide bonds in compliance with N.J.S.A. 2A:44-123 et seq., and ensure that the actual construction work is performed by the lump sum (fixed price) or unit contract method or combination thereof.
18. Will require the facilities to be designed to comply with the American National Specifications for Making Building and Facilities Accessible to, and Usable by, the Physically Handicapped, Number A1171-196.

STATUTORY REQUIREMENTS

19. Will comply with the provision of Executive Order 11988 relating to evaluation of potential effects of any actions in a floodplain, and Executive Order 11190 relating to minimizing harm to wetlands.
20. Will comply, or have already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real property Acquisition Policies Act of 1970 (P.L. 91-646) which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of assisted programs.

21. Will comply with the provisions of the Hatch Act, which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
22. Will comply with the provisions of the Davis-Bacon Act (not applicable to drinking water projects), the Copeland Act, and the Contract Work Hours and Safety Standards Act, all of which govern labor standards for federally assisted construction subagreements, where applicable.
23. Will comply with the flood insurance purchase requirements of N.J.S.A. 58:16A-50 et seq., N.J.A.C. 7:13-2.1 et seq., and Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires loan recipients in a special flood hazard area, as a loan condition, to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more. (See 40 CFR 30.600(b) and 44 CFR Parts 59 through 79.)
24. Will assist the DEP to comply with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), Executive Order 11593, the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.), the Act Establishing the New Jersey Register of Historic Places and Executive Order No. 215 Environmental Assessment
25. Will comply with Section 13 of the Federal Water Pollution Control Act of 1972, which provides that no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program under the Act.
26. Will comply with Title VI of the Civil Rights Act of 1964, with the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et. seq. and with the Anti-Discrimination and Affirmative Action Provisions of N.J.S.A. 10:2-1 to 10:2-4.
27. Will comply with all applicable requirements of Federal, State and local laws, ordinances, executive orders, policies, rules and regulations governing this program, including N.J.A.C. 7:22-3, 4, 5, 9, and 10.
28. Will establish, for wastewater treatment projects, an effective regulatory program for pretreatment pursuant to N.J.S.A. 58:10A-6 et seq. and 40 CFR Part 403.
29. For local government units, will comply with applicable procurement requirements of the Local Public Contracts Law, N.J.S.A. 40A: 11-1 et seq.

CERTIFICATION

I certify that I am a duly authorized representative of the within named applicant, and that I have read and understand these requirements and assurances. I further certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Signature of Authorized Representative

Date

Title of Authorized Representative

Printed Name of Authorized Representative

