

Merchantville, NJ

April 13, 2009

A Budget Workshop was held at 6:00 PM. All attended with Mr. Alloway arriving at 6:55 PM. Meeting was adjourned at 7:14 PM.

A regular meeting of Borough Council was held at 7:30 PM, Monday, April 13, 2009. Mayor Frank M. North presided. Pledge of Allegiance and the "Support Our Troops Resolution was read. Announcement was made that the meeting had been advertised in accordance with the regulations prescribed by the "Open Public Meetings Act".

ROLL CALL:

Council Present: Alloway, Brennan, Perno, Brunton, Waldron and Fields.

Borough Clerk Brouse, Attorney Higgins, and CFO Denise Moules were present.

PRIVATE SESSION: On the motion of Mr. Perno and second of Mr. Brennan, council voted to adjourn to private session to discuss matters of possible litigation regarding 606 W. Maple Avenue.

On the motion of Mr. Waldron and second of Mr. Perno, council voted to return to public session at 8:05 PM.

PUBLIC HEARING

09-04

ORDINANCE OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, STATE OF NEW JERSEY AMENDING CHAPTER 86, VEHICLES AND TRAFFIC, OF THE CODE OF THE BOROUGH OF MERCHANTVILLE

BE IT ORDAINED by the Mayor and Borough Council of the Borough of Merchantville, County of Camden, and State of New Jersey that Article X of Chapter 86, Vehicles and Traffic, of the Code of the Borough of Merchantville, is amended as follows:

ARTICLE I. ARTICLE X. SECTION 86-25 Schedule III – One-Way Streets

In accordance with the provisions of Section 86-5, the following described streets or parts of streets are hereby designated and added as one-way streets in the direction indicated:

Street	Direction	Limits
Oak Terrace	North	From Volan Street to Browning Road

ARTICLE II.

All Ordinances contrary to the provisions of this Ordinance are hereby repealed to the extent that they are inconsistent herewith.

ARTICLE III.

This Ordinance shall take effect upon passage and publication according to law.

09-06

ORDINANCE OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN AND STATE OF NEW JERSEY AMENDING CHAPTER 70, SEWERS, IN THE CODE OF THE BOROUGH OF MERCHANTVILLE

WHEREAS, Chapter 70, Sewers, of the Code of the Borough of Merchantville provides that sewer connection charges for other than residential dwellings be established by ordinance of the Borough Council of the Borough of Merchantville; and

WHEREAS, the Merchantville Sewer Utility is obligated to establish certain minimum rates in accordance with a 1996 Agreement with the Pennsauken Sewerage Authority; and

WHEREAS, the Pennsauken Sewerage Authority has increased its rates as of February 1, 2009;

NOW, THEREFORE, BE IT ORDAINED by the Borough Council of the Borough of Merchantville that the following rates are hereby established as of May 1, 2009 for sewer service rates for other than residential dwellings:

Connection Permit Fee	\$1,207.00
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ARTICLE II.

All Ordinances contrary to the provisions of this Ordinance are hereby repealed to the extent that they are inconsistent herewith.

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PUBLIC: NO PUBLIC

ENGINEER'S REPORT: Consulting Engineer Services provided a written project status report to Council.

APPROVAL OF MINUTES: On a motion of Mr. Perno and second of Mr. Brennan, council approved the regular meeting minutes for 3/23/09 as amended.

CORRESPONDENCE: A letter was read regarding bill A3541 extending the deadline for Recycling Coordinator.

COUNCIL REPORTS:

Mrs. Fields reported that EMS is doing well. Would like to get items out of the building. Satellite Ordinance will be coming back to council as amended. There are 3 properties that may be added to abandoned property list. NPP is accepting applications.

Mr. Waldron reported there will be a Public Events meeting next Monday. Birthday celebration was moved to Community Center for June 6. Car show will take place on July 11. The arts festival is postponed. Clean up day is April 25th. Task Force and Business Association are working on a Farmer's Market. Shade Tree received 50 trees. Cool Cities list is available and was emailed to Council. Arbor Day is April 24th. Newsletter was folded by students.

Mr. Brunton gave license report. Emergency Management meeting did not take place. Public Works report-County ran out of salt, about 90 pot holes were filled, trees were trimmed and removed. Public Works vehicle inspections continue, policy was reviewed with public works employees, new work hours began today starting time is 5:30 AM, notify public of change.

Mr. Perno gave the buildings and ground report.

Mr. Brennan thanked everyone for the egg hunt. There are 300 tickets for the Riversharks game on June 25. We have a box for 25 tickets. How should we divide this? Also gave the Court report and Fire Dept. Report. Thanked the fire company for their help with Baseball Clean Up Day and Public Works for cleaning up the trash in that area.

Mr. Alloway gave the Police report. Right to know training has started. Received finger print grant, applied for Click it or Ticket grant.

Clerks Report- A new cleaning service has started. New flags need to be purchased.

Council has given the Engineer approval to proceed with the DOT & TE Grant applications.

OLD BUSINESS: Ordinance Adoption

On a motion of Mr. Perno and second of Mr. Brunton, Council adopted the following Ordinance:

09-04

**ORDINANCE OF THE BOROUGH OF MERCHANTVILLE,
COUNTY OF CAMDEN, STATE OF NEW JERSEY AMENDING
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NEW BUSINESS:

RESOLUTIONS to be approved by consent agenda: On the motion of Mr. Brunton and second of Mr. Perno, Council approved the following resolutions to be approved by Consent Agenda:

R09-55

**RESOLUTION OF THE BOROUGH OF MERCHANTVILLE,
COUNTY OF CAMDEN, STATE OF NEW JERSEY APPOINTING
BRADFORD C. STOKES AS RECYCLING COORDINATOR**

WHEREAS, the New Jersey Department of Environmental Protection has promulgated recycling regulations to implement the Mandatory Source Separation and Recycling Act; and

WHEREAS, as part of this Act, a recycling fund from which tonnage grants may be made to municipalities in order to encourage local source separation and recycling programs are made available; and

WHEREAS, municipalities can designate a Recycling Coordinator to be authorized to ensure that a grant application is properly completed and timely filed,

WHEREAS, it is the desire of the Mayor and Council of the Borough of Merchantville that Bradford C. Stokes be appointed as Recycling Coordinator for the Borough , and

NOW, THEREFORE, BE IT RESOLVED, by the governing body of the Borough of Merchantville that Bradford C. Stokes, 253 East Knight Avenue, Collingswood, NJ be and is hereby appointed as Recycling Coordinator for the Borough of Merchantville.

09-56

**RESOLUTION OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, STATE
OF NEW JERSEY PROPOSED BUS STOP ON PARK AVENUE, EASTBOUND AT COVE
ROAD**

BE IT RESOLVED, by the Mayor and Council of Merchantville Borough, County of Camden, State of New Jersey.

That pursuant to N.J.S.A. 39:4-8(e) the following described location is designated as a bus stop:

Along Park Avenue (CR621), eastbound, on the southerly side thereof at:

a. Cove Road (R616)-(Near Side)

Beginning at the westerly curb line of Cove Road and extending 105 feet westerly therefrom.

That pursuant to N.J.S.A. 39:4-8(e) the following described locations are deleted as bus stops:

Along Maple Avenue (CR537), eastbound, on the southerly side thereof at:

a. West End Avenue- (near side)

Beginning at the westerly curb line of West End Avenue and extending 105 feet westerly therefrom.

b. Chapel Avenue – (far side)

Beginning at the easterly curb line of Chapel Avenue and extending 100 feet easterly therefrom.

Along Maple Avenue (CR537), westbound, on the northerly side thereof at:

a. Greenleigh Court – (Near side/prolongation)

Beginning at the prolongation of the easterly curb line of Greenleigh Court and extending 105 easterly therefrom.

b. Centre Street (LCR622)-far side)

Beginning at westerly curb line of Centre Street and extending 100 feet westerly therefrom.

c. Springfield Avenue – (near side)

Beginning at the easterly curb line of Springfield Avenue and extending 105 feet easterly there-from.

Along Centre Street (CR622), southbound, on the westerly side thereof at:

- a. Cedar Street – (near side)

Beginning at the northerly curb line of Cedar Street and extending 105 feet northerly there-from.

Along Chapel Avenue (CR626), southbound, on the westerly side thereof at:

- a. Stanley Avenue – (near side)

Beginning at the northerly curb line of Cedar Street and extending 105 feet northerly there-from.

That the Mayor and Council of the Merchantville Borough will enforce the needed traffic regulations governing the aforementioned bus stops location and provide the necessary police security to ensure the safety of the traveling public.

R09-57

**RESOLUTION OF THE BOROUGH OF MERCHANTVILLE,
COUNTY OF CAMDEN, STATE OF NEW JERSEY APPROVING
APPLICATION FOR RECYCLING TONNAGE GRANT**

SUBJECT: APPROVING THE APPLICATION OF A RECYCLING TONNAGE GRANT

WHEREAS, the Mandatory Source Separation and Recycling Act Recycling Act P.L. 1987, c.102, has established a recycling fund from which tonnage grants may be made to municipalities in order to encourage local source separation and recycling programs; and

WHEREAS, it is the intent and spirit of the Mandatory Source Separation and Recycling Act to use the tonnage grants to develop new municipal recycling programs and to continue and expand existing programs; and

WHEREAS, the New Jersey Department of Environmental Protection has promulgated recycling regulations to implement the Mandatory Source Separation and Recycling Act; and

WHEREAS, the recycling regulations imposed on municipalities certain requirements as a condition for applying for tonnage grants, including but not limited to making and keeping accurate, verifiable materials collected and claimed by the municipality and by setting up a dedicated recycling trust fund where funds shall be used solely for the purposes of recycling; and

WHEREAS, a resolution authorizing this municipality to apply for such tonnage grants will memorialize the commitment of this municipality to recycling and indicate the assent of the Borough of Merchantville to the efforts undertaken by the municipality and the requirements contained in the recycling act and recycling regulations; and

WHEREAS, such a resolution should designate the individual authorized to ensure that the application is properly completed and timely filed,

NOW THEREFORE BE IT RESOLVED by the governing body of the Borough of Merchantville, County of Camden, State of New Jersey, that the Borough of Merchantville hereby endorses the submission of a municipal recycling tonnage grant application to the New Jersey DEP Office of Recycling and designates Bradford C. Stokes, Recycling Coordinator, to ensure that the said application is properly filed.

BOROUGH OF MERCHANTVILLE

RESOLUTION NO.09-58

**RESOLUTION OF THE BOROUGH COUNCIL OF THE
BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN,
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 \$1,845,000; 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 BOROUGH OF MERCHANTVILLE 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 Borough of Merchantville, County of Camden, New Jersey ("Borough"), has determined that there exists a need for the rehabilitation of existing gravity sanitary sewer lines and manholes within the Borough's Sanitary Sewer System including, but not limited to, the cure in place pipe lining of gravity sewer lines and in-place repair of gravity sewer manholes, together with the acquisition of all materials and equipment and completion of all work necessary therefore or related thereto all as more particularly described in the application on file and available for inspection in the office of the Borough's Consulting Engineer ("Project"); and whereas it is the desire of the Borough to obtain financing for such Project through participation in the 2009 financing program ("2009 Environmental Infrastructure Financing Program") of the New Jersey Environmental Infrastructure Trust ("Trust"); and

WHEREAS, the Borough has determined to temporarily finance the construction 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 ("Interim Loan") to the Borough, pursuant to the Interim Financing 2009 Trust Loan Program of the Trust ("Interim Financing Program"); and

WHEREAS, in order to: (i) evidence and secure the repayment obligation of the Borough 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 Borough 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 \$1,845,000 ("Note"); and

WHEREAS, it is the desire of the Borough to authorize, execute, attest and deliver the Note to the Trust pursuant to the terms of the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the Revised Statutes of the State of New Jersey ("Local Bond Law"), and other applicable law; and

WHEREAS, Section 28 of the Local Bond Law allows for the sale of the Note to the Trust, without any public offering, and *N.J.S.A.* 58:11B-9 allows for the sale of the Note to the Trust without any public offering, all under the terms and conditions set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOROUGH COUNCIL OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY, AS FOLLOWS:

Section 1. In accordance with Section 28 of the Local Bond Law and *N.J.S.A.* 58:11B-9, the Borough hereby authorizes the issuance, sale and award of the Note in accordance with the provisions hereof. The obligation represented by the Note has been appropriated and authorized by bond ordinance 2008-12 of the Borough, which bond ordinance is entitled, "**BOND ORDINANCE AUTHORIZING IMPROVEMENTS TO THE SANITARY SEWER SYSTEM IN THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY; APPROPRIATING THE SUM OF \$1,845,000 THEREFOR; AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OR BOND ANTICIPATION NOTES OF THE BOROUGH OF MERCHANTVILLE, COUNTY OF CAMDEN, NEW JERSEY, IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$1,845,000; MAKING CERTAIN DETERMINATIONS AND COVENANTS; AND AUTHORIZING CERTAIN RELATED ACTIONS IN CONNECTION WITH**

THE FOREGOING", and was duly and finally adopted by the Borough at a meeting duly called and held on December 8, 2008, at which time a quorum was present and acted throughout, all pursuant to the terms of the Local Bond Law and other applicable law.

Section 2. The Chief Financial Officer of the Borough ("Chief Financial Officer") is hereby authorized to determine, in accordance with the Local Bond Law and pursuant to the terms and conditions hereof: (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 Chief Financial 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 Borough 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 \$1,845,000;
- (b) the maturity of the Note shall be November 6, 2009;
- (c) the interest rate of the Note shall be 0.0% 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 Mayor and the Chief Financial Officer under official seal or facsimile thereof affixed, printed, engraved or reproduced thereon and attested by the manual signature of the Borough Clerk.

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

Section 6. The law firm of Parker McCay P.A., Marlton, New Jersey, 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 Mayor and Chief Financial Officer (collectively, the "Authorized Officers") of the Borough are hereby further severally authorized to: (i) execute and deliver, and the Borough Clerk is hereby further authorized to attest to such execution and to affix the corporate seal of the Borough to, any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Officers, in their respective sole discretion, after consultation with counsel and any advisors to the Borough and after further consultation with the Trust and its representatives, agents, counsel and advisors, to be executed in connection the issuance and sale of the Note and the participation of the Borough 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 Officers deem necessary, desirable or convenient in relation to the execution and delivery of the Note and the participation of the Borough in the Interim Financing Program.

Section 8. All other resolutions, or parts thereof, inconsistent herewith are hereby rescinded and repealed to the extent of any such inconsistency.

Section 9. Upon the adoption hereof, the Borough Clerk shall forward certified copies of this resolution to Parker McCay P.A., bond counsel to the Borough, Dennis Hart, Executive Director of the Trust, and Richard T. Nolan, Esq., McCarter & English, LLP, bond counsel to the Trust.

Section 10. This resolution shall take effect immediately upon adoption this 13th day of April, 2009.

EXHIBIT "A"
FORM OF NOTE
BOROUGH OF MERCHANTVILLE, NEW JERSEY
NOTE

RELATING TO:

THE INTERIM FINANCING 2009 TRUST LOAN PROGRAM
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

\$ _____ May ___, 2009 IFP-09-__

FOR VALUE RECEIVED, the **BOROUGH OF MERCHANTVILLE, NEW JERSEY**, a municipal corporation duly created and validly existing pursuant to the laws of the State (as hereinafter defined), and its successors and assigns ("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) ("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.

"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 0.00% 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 6, 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) One Million Eight Hundred Forty-Five Thousand Dollars (\$1,845,000), 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.

"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 municipal corporation duly created and validly existing under and pursuant to the Constitution and laws of the State; (ii) has full legal right and authority to execute, attest and deliver 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 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 and duly executed, attested and delivered by Authorized Officers of the Borrower. 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 ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iii) the authorization, execution, attestation or delivery of this Note, (iv) the issuance of this Note and the sale thereof to the Trust, and (v) 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 due authorization, execution, attestation and delivery of this Note by the Borrower and the sale of this Note to the Trust, (ii) 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 (iii) 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 general tax revenues of the Borrower, 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 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) Full Faith and Credit Pledge. To secure the repayment obligation of the Borrower with respect to this Note, and all other amounts due under this Note, the Borrower unconditionally and irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of any and all obligations and amounts due under this Note. The Borrower acknowledges that, to assure the continued operation and solvency of the Trust, the Trust may, pursuant to and in accordance with Section 12a of the Act, require that if the Borrower fails or is unable to pay promptly to the Trust in full any Loan repayments, any Interest or any other amounts due pursuant to this Note, an amount sufficient to satisfy such deficiency shall be paid by the State Treasurer to the Trust from State-aid otherwise payable to the Borrower.

(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) (i) in any "private business use" within the meaning of Section 141(b)(6) of the Code, (ii) to make or finance loans to persons other than the Borrower, or (iii) to acquire any "nongovernmental output property" within the meaning of Section 141(d)(2) of the Code. In addition, the Borrower covenants and agrees that 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 (the "System Records"), separate and distinct from its other records and accounts (the "General Records"), which shall be audited annually by an independent registered municipal 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 __, 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 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 obligations hereunder, in whole or in part, upon receipt of the prior written consent of an 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 direct, general 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 acknowledges and 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: Borough of Merchantville, County of Camden, New Jersey, 1 West Maple Avenue, Merchantville, New Jersey 08109, Attention: Denise Moules, Chief Financial 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.

PROCLAMATION FOR ARBOR DAY 2009: Proclamation was read aloud by Mayor North.

DISCUSSION-there was a discussion on rental ordinance.

APPROVAL- was given by council regarding bus shelter styles.

On a motion of Mr. Waldron and second of Mr. Alloway, approval was given to F.W. Grigg Post # 68 American Legion for a Memorial Day Ceremony.

PAYMENT OF BILLS:

On the motion of Mr. Perno and second of Mr. Brennan, Council approved the following bills for payment:

**R09-60
RESOLUTION**

RESOLVED that the Report of the Department of Accounts and Auditing be accepted and spread upon the minutes and the Treasurer be is hereby authorized to pay bills approved therein.

Borough of Merchantville Current Fund	Bill List Summary	April 13, 2009
Checks Current Fund	2008 Budget	\$3,306.25
	2009 Budget	\$82,557.43
	State / Federal Grants	\$10,196.88
	Debt Service	
	Board of Education	
Revenue Current Fund	Checks Delivered	\$468,516.93
Total Current		\$564,577.49
Sewer Utility Fund		
	2009 Budget	\$80.00
	Debt Service	
	Checks Delivered	
Total Sewer		\$80.00
Recreation Commission		
	2009 Budget	\$1,518.07
	Checks Delivered	
Total Recreation		\$1,518.07

General Capital Fund

	2009 Budget	\$4,013.79
	Checks Delivered	
	Total Capital	\$4,013.79

Trust-Other Fund

	2009 Budget	\$2,998.20
	Checks Delivered	
	Total Trust	\$2,998.20

**Animal Trust
Unemployment**

	2009 Budget	\$46.20
	2009 Budget	
	Checks Delivered	
	Total	\$46.20
	Total Bill list	\$573,233.75

DIRECTOR OF ACCOUNTS & AUDITING
PATRICIA FIELDS

ANNOUNCEMENTS:

ADJOURNMENT:

On the motion of Mr. Perno and second of Mr. Brennan, the meeting
was adjourned at 9:38 PM.

DENISE BROUSE
BOROUGH CLERK