

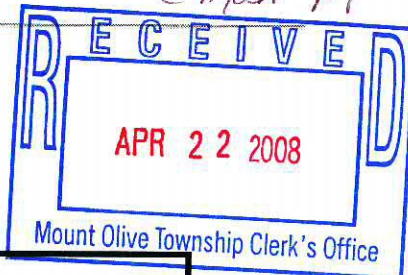
cc: Mayor

E-Mail PT

(C)

Lashway, Lisa

From: NJLM - Municipal Clerks [njlm-clerks@cityconnections.com]
Sent: Thursday, April 24, 2008 11:50 AM
To: Lashway, Lisa
Subject: Municipal Clerks from NJLM



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Trenton, NJ 08608
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William G. Dressel Jr.
Executive Director
Michael J. Darcy, CAE
Asst. Executive Director

LEAGUE ALERT

Municipal Clerk: Please forward to Mayor and Governing Body.

April 24, 2008

Re: ISRA Applicability Service to be Discontinued

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Dear Mayor:

For those municipalities involved in purchases of commercial property, please be advised that the New Jersey Department of Environmental Protection (DEP) has announced that, effective April 30, 2008, it will no longer issue letters of non-applicability (LNA's) under the Industrial Site Remediation Act (ISRA). This law generally requires a company to obtain clearance for site contamination as a condition to the sale, transfer or discontinuation of operations of an "industrial establishment" as statutorily defined.

ISRA clearance is a normal provision in Agreements of Sale and buyers have required the production of a Letter of Non-Applicability. The DEP has issued those letters as a service so that parties to transactions could have a level of comfort that ISRA would not apply.

Requirements in Agreements of Sale and in Loan Commitments will have to be reviewed, as the LNA will no longer be possible to obtain. The fact that an LNA may not be available will not eliminate issues arising from ISRA and there may be a need to obtain professional opinions from qualified environmental Counsel in order to provide the comfort level that buyers and lenders will require.

The DEP announcement is at
<http://www.state.nj.us/dep/srp/isra/announce200804.htm>

Very truly yours,

William G. Dressel, Jr.
Executive Director

NJLM
222 West State Street
Trenton, NJ 08608

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