

RESOLUTION NO. 2022-118

**RESOLUTION OF THE TOWNSHIP OF LITTLE EGG HARBOR
DECLARING ITS OFFICIAL INTENT TO REIMBURSE EXPENDITURES
FOR PROJECT COSTS FROM THE PROCEEDS OF DEBT
OBLIGATIONS IN CONNECTION WITH ITS PARTICIPATION IN THE
NEW JERSEY WATER BANK**

WHEREAS, the Township of Little Egg Harbor, in the County of Ocean, New Jersey (the "Borrower") intends to acquire, construct, renovate and/or install the environmental infrastructure project more fully described in **Exhibit A** attached hereto (the "Project");

WHEREAS, the Borrower intends to finance the Project with debt obligations of the Borrower (the "Project Debt Obligations") but may pay for certain costs of the Project (the "Project Costs") prior to the issuance of the Project Debt Obligations with funds of the Borrower that are not borrowed funds;

WHEREAS, the Borrower reasonably anticipates that obligations, the interest on which is excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), will be issued by the New Jersey Infrastructure Bank (the "Issuer") to finance the Project on a long-term basis by making a loan to the Borrower with the proceeds of the Issuer's obligations (the "Project Bonds"); and

WHEREAS, the Borrower desires to preserve its right to treat an allocation of proceeds of the Project Debt Obligations to the reimbursement of Project Costs paid prior to the issuance of the Project Debt Obligations as an expenditure for such Project Costs to be reimbursed for purposes of Sections 103 and 141 through 150, inclusive, of the Code.

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

Section 1. The Borrower reasonably expects to reimburse its expenditure of Project Costs paid prior to the issuance of the Project Debt Obligations with proceeds of its Project Debt Obligations.

Section 2. This resolution is intended to be and hereby is a declaration of the Borrower's official intent to reimburse the expenditure of Project Costs paid prior to the issuance of the Project Debt Obligations with the proceeds of a borrowing to be incurred by the Borrower, in accordance with Treasury Regulations §150-2.

Section 3. The maximum principal amount of the Project Debt Obligations expected to be issued to finance the Project is \$1,950,000.

Section 4. The Project Costs to be reimbursed with the proceeds of the Project Debt Obligations will be "capital expenditures" in accordance with the meaning of Section 1.150-2 of the Code.

Section 5. No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Code. The proceeds of the Project Bonds used to reimburse the Borrower for Project Costs, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds", including "sinking funds", "pledged funds" or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations §1.148-1), of the Project Debt Obligations or another issue of debt obligations of the Borrower, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1).

Section 6. All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than the Project Debt Obligations is paid, or (ii) the date the Project is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

Section 7. This resolution shall take effect immediately.

Recorded Vote

<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
			Gormley

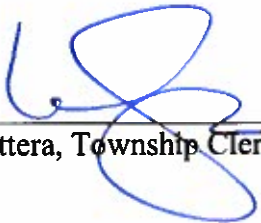
Laney
Maxwell
Scibetta
Kehm

CERTIFICATE

I, **Kelly Lettera**, Township Clerk of the Township of Little Egg Harbor, in the County of Ocean, State of New Jersey, HEREBY CERTIFY that the foregoing is a true and compared copy of an original resolution now on file and of record in my office which was duly adopted at a meeting of the Township Committee of the Township of Little Egg Harbor, on the 14th day of **April, 2022**.

I DO HEREBY CERTIFY that said Township Committee consists of five members and that five members thereof were present at said meeting and that five members voted affirmatively for the adoption of said resolution.

KHL IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Township this day of **April**, 2022.



Kelly Lettera, Township Clerk

(SEAL)

Exhibit A

The project consists of new drainage piping and inlets as well as easement and roadway restoration along East/West Mullica Road, East/West Delaware Drive, and East/West Mohawk Drive.