

**RESOLUTION NO. 2018-132**

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

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

**WHEREAS**, the Township intends to finance the Project with debt obligations of the Township (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 Township that are not borrowed funds; and

**WHEREAS**, the Township 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 (i) the Township on a short-term or long-term basis and/or (ii) the New Jersey Infrastructure Bank (the "Conduit Issuer") to finance the Project on a long-term basis by making a loan to the Township with the proceeds of the Conduit Issuer's obligations (the "Project Bonds"); and

**WHEREAS**, the Township 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 Township as follows:

**Section 1.** The Township 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 Township'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 Township, in accordance with Treasury Regulations §1.150-2.

**Section 3.** The maximum principal amount of the Project Debt Obligations expected to be issued to finance the Project is \$4,250,000.

**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 150 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 Township 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 Township, 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.

Stevens - Kehm

Recorded Vote

| <u>AYE</u> | <u>NO</u> | <u>ABSTAIN</u> | <u>ABSENT</u> |
|------------|-----------|----------------|---------------|
| Schluck    | none      | none           | none          |
| Kehm       |           |                |               |
| Stevens    |           |                |               |
| Crea       |           |                |               |
| Formby     |           |                |               |

The foregoing is a true copy of a resolution adopted by the governing body of the Township of Little Egg Harbor, in the County of Ocean, New Jersey on May 24, 2018.

  
Diana K. McCracken, RMC  
Municipal Clerk

## Exhibit A

The replacement of a stormwater drainage collection system in the Mystic Island section of the Township, consisting of the construction of approximately 8,915 linear feet of new drainage pipe, approximately 112 new inlets, approximately 4 new manholes, approximately 12 new inline check valves, approximately 290 linear feet of new bulkhead at approximately 13 outfall locations, and the restoration of paved and un-paved areas, and including the removal of the existing stormwater drainage collection system, to be located along Twin Lakes Boulevard between Radio Road and the end of the cul-de-sac, including the easement area to the east of Twin Lakes Boulevard between West Calabreeze Way and Lake Champlain Drive, and along Lake Champlain Drive from Twin Lakes Boulevard to Mathistown Road.