

R: 2015-36

RESOLUTION OF THE TOWN OF PHILLIPSBURG IN WARREN COUNTY, NEW JERSEY DECLARING ITS OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR PROJECT COSTS FROM THE PROCEEDS OF DEBT OBLIGATIONS IN CONNECTION WITH ITS PARTICIPATION IN THE YEAR 2014-15 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM

WHEREAS, the Town of Phillipsburg, in Warren County, New Jersey (the "Borrower"), a public body corporate and politic of the State of New Jersey, intends to acquire, construct, renovate and/or install the environmental infrastructure project more fully described in Exhibit A attached hereto (collectively, 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 Environmental Infrastructure Trust (the "Issuer") to finance the Project on a long-term basis by making loans 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 Projects is \$2,077,000.

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 Regulation §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 Regulation §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 Regulation §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 Obligation 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 upon satisfaction of the applicable requirements of the Local Authorities Fiscal Control Law (N.J.S.A. 40A:5A-1 et seq.

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EXHIBIT A

PROJECT DESCRIPTIONS

The Project includes refurbishment of the Town Sewage Treatment Plant.

CERTIFICATE AS TO REIMBURSEMENT RESOLUTION

I, VICTORIA L. KLEINER, Acting Clerk of the Town of Phillipsburg, in Warren County, New Jersey, a public body corporate and politic of the State of New Jersey, DO HEREBY CERTIFY as follows:

Attached hereto is a copy of a resolution entitled, "Resolution of the Town of Phillipsburg in Warren County, New Jersey Declaring Its Official Intent to Reimburse Expenditures for Project Costs from the Proceeds of Debt Obligations in Connection with its Participation in the Year 2013-14 New Jersey Environmental Infrastructure Trust Financing Program" (the "Resolution"), which Resolution was adopted at a meeting of the Town duly called, advertised and held on February 17, 2015 in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., at which meeting a quorum was present and acting throughout, which copy of said Resolution has been compared by me with the original thereof as officially recorded in the Minute Book of the Town and that said copy is a true, complete and correct copy of said Resolution, and that said Resolution has been duly adopted and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Authority hereto this 17th day of February, 2015.

**TOWN OF PHILLIPSBURG,
WARREN COUNTY, NEW JERSEY**

**VICTORIA L. KLEINER,
Acting Clerk**