RESOLUTION NO. 2014-341

RESOLUTION OF THE TOWNSHIP OF OCEAN, IN THE COUNTY OF OCEAN, 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 2015 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM

WHEREAS, the Township of Ocean (the "**Borrower**"), in the County of Ocean, New Jersey, 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 Environmental Infrastructure Trust (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 Township Committee of the Township of Ocean, Ocean County, New Jersey 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 $1,000,000.

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 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.

APPROVED: October 9, 2014

_____
Dennis F. Tredy, Mayor

[SEAL]

ATTEST:

_____
Diane B. Ambrosio, RMC, Township Clerk

CERTIFICATE

I, Diane B. Ambrosio, RMC, Township Clerk of the Township of Ocean, in the County of Ocean, New Jersey, HEREBY CERTIFY, that the foregoing copy of the Resolution of the Township Committee duly adopted on October 9, 2014, has been compared by me with the original Resolution as officially recorded in my office in the Minutes Book of the governing body and is a true, complete and correct copy thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Township this ____ day of October, 2014.

_____
Diane B. Ambrosio, RMC, Township Clerk

[SEAL]

EXHIBIT A

PROJECT DESCRIPTION

TOWNSHIP OF OCEAN, OCEAN COUNTY

Ocean Township is proposing to purchase and install two (2) new generators, and demolish and relocate an unused existing generator. The Township was severely affected by Superstorm Sandy in October of 2012 and the resulting power outages. These new emergency generators will provide resiliency against such damage in the future as the new units will replace damaged, failing, and/or undersized generators otherwise not capable of meeting the power demands. The existing generator at the Pebble Beach Water Treatment Plant (WTP) will be demolished and removed offsite as it is unused. This generator will be relocated to the Municipal Complex WTP site to be used in a more effective location. A second generator will also be purchased for this site. In addition, the Township will purchase an emergency generator for the Well #5 site.