

RESOLUTION NO. 18 - 44

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING ITS EXECUTIVE DIRECTOR TO EXECUTE DECLARATIONS OF INTENT ON BEHALF OF THE I-BANK FOR WATER BANK AND TRANSPORTATION BANK BORROWER LOANS

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank"), pursuant to and in accordance with (i) the "New Jersey Infrastructure Trust Act," constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be, amended and supplemented (the "Act"), and (ii) regulations that have been, and may in the future be, promulgated pursuant to the Act, intends to finance, from time to time, the acquisition, construction, improvement, repair or reconstruction of all or part of any structure, facility or equipment, or real or personal property, necessary for or ancillary to any of (a) a "wastewater treatment system project," (b) a "water supply project," or (c) a "transportation project" (as each such term is defined, and elaborated upon, in the Act, collectively, the "Projects"); and

WHEREAS, the I-Bank expects to finance certain costs of the Projects by loaning proceeds of I-Bank bonds, notes or other debt obligations (collectively, the "I-Bank Bonds") to various borrowers consisting of (i) certain "local government units" (as defined in the Act) and (ii) certain private entities (collectively, the "Borrowers"), which costs may have been paid, prior to the issuance of the I-Bank Bonds, with funds of the Borrowers that are not borrowed funds; and

WHEREAS, the I-Bank expects to provide long-term financing for costs of the Projects from proceeds of I-Bank Bonds, the interest on which will be excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Internal Revenue Service Treasury Regulations Section 1.150-2 require a formal declaration of intention to reimburse a prior capital expenditure after the expenditure is made with the proceeds of a borrowing; and

WHEREAS, the I-Bank desires to preserve the right to treat an allocation of proceeds of the I-Bank Bonds to the reimbursement of costs of the Projects paid prior to the issuance of the I-Bank Bonds as expenditures for such costs to be reimbursed for purposes of Sections 103 and 141 through 150, inclusive, of the Code, or any successor provisions; and

WHEREAS, the Board of Directors of the I-Bank (the "Board") desires to delegate to the Executive Director of the I-Bank, pursuant to Treasury Regulations Section 150-2, the authority to declare its official intent to reimburse such expenditures; and

WHEREAS, the Board previously had adopted Resolution 99-13 on May 6, 1999 (the "Prior Resolution"), for the purpose of delegating to the Executive Director of the I-Bank, pursuant to Treasury Regulations Section 150-2, the authority to declare its official intent to reimburse expenditures, provided, however, that the current terms and provisions of the Act that authorize the I-Bank to finance Projects for qualifying Borrowers that consist of "transportation projects" (as defined in the Act) are newly enacted provisions and, as such, had not been enacted at the time of the adoption by the Board of the Prior Resolution and, therefore, are outside the scope and intent of the Prior Resolution; and

WHEREAS, it is the desire of the Board, pursuant to this Resolution, to rescind the Prior Resolution and adopt, in its place, a delegation to the Executive Director of the I-Bank, pursuant to Treasury Regulations Section 150-2, of the authority to declare its official intent to reimburse expenditures, which delegation is expansive by its terms to include all Projects that currently are authorized by the terms of the Act so that such delegation shall address the needs of the I-Bank with respect to both its “Water Bank” financing program and its “Transportation Bank” financing program.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the I-Bank, as follows:

Section 1. The Prior Resolution is hereby rescinded.

Section 2. The I-Bank hereby authorizes its Executive Director (or other person who carries out the duties and obligations of the Executive Director, if the Executive Director is, for any reason, unavailable), in his or her sole discretion, after consultation with Bond Counsel to the I-Bank, to execute declarations of intent (the “Declarations of Intent”) on behalf of the I-Bank for Borrower loans, declaring, among other things, the I-Bank’s expectation to reimburse or otherwise finance costs of the Projects with proceeds of I-Bank Bonds.

Section 3. The Declarations of Intent are intended to be a declaration of the I-Bank’s official intent to reimburse the expenditure of such costs of the Projects paid prior to the issuance of any such I-Bank Bonds with the proceeds of borrowings to be incurred by the Borrowers, for purposes of Treasury Regulations Section 150-2, or any successor provision thereto.

Section 4. The Declarations of Intent will set forth information, to the extent deemed necessary or desirable by the Executive Director (or other person who carries out the duties and obligations of the Executive Director, if the Executive Director is, for any reason, unavailable), after consultation with Bond Counsel to the I-Bank, to satisfy the requirements of Treasury Regulations Section 150-2, or any successor provision thereto.

Section 5. This Resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date: June 18, 2018

Motion Made By: Mr. Robert Long

Motion Seconded By: Mr. Michael Kanef

Ayes: 7

Nays: 0

Abstentions: 0