

RESOLUTION OF THE TOWNSHIP OF MONTCLAIR DECLARING ITS OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR PROJECT COSTS FROM THE PROCEEDS OF THE NOT EXCEEDING \$4,600,000 DEBT OBLIGATIONS IN CONNECTION WITH ITS PARTICIPATION IN THE 2009 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM

July 7, 2009

WHEREAS, the Township of Montclair, in the County of Essex, 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 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 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 \$4,600,000.

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.

RECORD OF COUNCIL VOTE											
	YE S	NO	ABS	N.V .	AB		YE S	N O	AB S	N.V.	AB
Councilor Africk						Councilor Murnick					
Councilor Baskerville						Deputy Mayor Terry					
Mayor Fried						Councilor Weller					
Councilor Lewis											

X - Indicate Vote ABS - Abstain N.V. - Not Voting AB - Absent

I HEREBY CERTIFY the foregoing to be a true copy of a resolution adopted by the Council of the Township of Montclair, in the County of Essex, at their meeting held on _____, 2009.

Linda S. Wanat
Municipal Clerk, Township of Montclair, N.J.

EXHIBIT A

- Installation of cured in place piping systems within the existing collection system mains, of various diameters. This method includes the installation of reinforced thermosetting resin pipe products, as well as the necessary pre-insertion cleaning, video inspection, point repairs, root removal, joint repairs, lateral repairs and final video inspection. Approximately 12,500 linear feet of the approximately 30,000 linear feet within these sub-areas will be addressed.
- Manhole rehabilitation in the project areas will include manhole structural repairs, sealing, and application of cementations epoxy lining systems. Approximately 50 manholes within the sub-areas will be addressed.
- In certain locations, reconstruction of existing sanitary sewers with improper pitch will be included in the work.