

**RESOLUTION No. 34-2016**

**Resolution Providing for the Declaration of Official Intent Under  
Treasury Regulation Section 1.150-2 To Reimburse Prior Expenditures**

**WHEREAS**, the Parking Authority of the Town of Morristown (the “Authority”) intends to issue debt obligations (the debt obligations herein referred to as “Project Debt Obligations”), the interest on some of which will be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and that will be used to finance a parking facility on property known as Lot 10 and bordered by Morris Street, Pine Street and Dumont Place.

**WHEREAS**, the Authority intends to finance the Project, in part, with the project Debt Obligations but may pay for certain costs of the Project (“Project Costs”) prior to the issuance of the Project Debt Obligations with funds of the Authority which are not borrowed funds;

**WHEREAS**, the Authority desires to preserve its rights to treat an allocation of proceeds of the Project Debt Obligations to the reimbursement of Project Costs paid by the Authority 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 141-150 of the Code.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Authority as follows:

**Section 1.** The Authority 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 Authority’s official intent to reimburse the Authority for expenditure of Project Costs by the Authority paid prior to the issuance of the Project Debt Obligations with the proceeds of the Project Debt Obligations, in accordance with Treasury Regulation Section 150-2.

**Section 3.** The maximum principal amount of the Project Debt Obligations expected to be issued to finance the Project is \$10,000,000.

**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 Regulation Section 1.148-10 to avoid the arbitrage restrictions or to avoid the

restrictions under Section 142 through 147 of the Code. The proceeds of the Project Debt Obligations used to reimburse the Authority 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 Section 1.148-1) of the Project Debt Obligations or another issue of debt obligations of the Authority, other than amounts deposited into a “bona fide debt service fund” (as defined in Treasury Regulation Section 1.145-1).

**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 Regulation Section 1.15-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

**Section 7.** This Resolution will take effect immediately.

I hereby certify that the foregoing is a true copy of a Resolution introduced and adopted by the Parking Authority of the Town of Morristown at a meeting held on April 19, 2016.

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DATED: April 19, 2016

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, Secretary