



UNION COUNTY IMPROVEMENT AUTHORITY

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Resolution No. 55-2018

Date: November 7, 2018

RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY DECLARING ITS OFFICAL INTENT TO REIMBURSE EXPENDITURES FOR PROJECT COSTS RELATED TO THE BIOSOLIDS GASIFICATION FACILITY OF ARIES LINDEN, LLC FROM PROCEEDS OF DEBT OBLIGATION

APPROVED AS TO FORM:
Lisa M. da Silva, RMC
Clerk of the Authority

APPROVED AS TO SUFFICIENCY OF FUNDS
☐ YES ☐ NO ☒ NONE REQUIRED
UNION COUNTY IMPROVEMENT AUTHORITY

Lisa M. da Silva

M. W. B. - O

	PRESENT	ABSENT	AYE	NAY	ABSTAIN	MOTION	SECOND
<i>Barnett</i>	✓		✓				
<i>D'Elia</i>	✓		✓			✓	
<i>Gunderman</i>		✓					
<i>Hockaday</i>	✓		✓				
<i>Huff, Treasurer</i>		✓					
<i>Lattimore</i>	✓		✓				✓
<i>Salerno, Secretary</i>	✓		✓				
<i>Bornstad, Vice Chair</i>	✓		✓				
<i>Rountree, Chairwoman</i>	✓		✓				

**RESOLUTION OF THE UNION COUNTY IMPROVEMENT AUTHORITY
DECLARING ITS OFFICAL INTENT TO REIMBURSE EXPENDITURES
FOR PROJECT COSTS RELATED TO THE BIOSOLIDS GASIFICATION
FACILITY OF ARIES LINDEN, LLC FROM PROCEEDS OF DEBT
OBLIGATION**

WHEREAS, Aries Linden, LLC (the "Borrower") has intends to construct a biosolids gasification facility to be located in Linden, New Jersey, as more fully described on Exhibit A attached hereto (the "Project"); and

WHEREAS, the Borrower reasonably anticipates that the Union County Improvement Authority (the "Authority") will issue bonds the interest on which is expected to be excludable from gross income for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), to finance the Projects (the "Project Bonds"); and

WHEREAS, the Borrower may make certain expenditures with respect to the Project prior to the date of issuance of the Project Bonds, which expenditures are expected to be funded with the Borrower's own funds or with proceeds of an interim borrowing, for which Borrower may wish to be reimbursed with proceeds of the Project Bonds (the "Reimbursable Costs"); and

WHEREAS, the Authority and the Borrower desire to preserve the Borrower's use of proceeds of the Project Bonds for reimbursement of the Reimbursable Costs for purposes of Section 103 and Sections 141 through 150 of the Code.

NOW THEREFORE, BE IT RESOLVED BY THE AUTHORITY, as follows:

Section 1. The Authority reasonably expects that the Borrower will use a portion of the proceeds of the Project Bonds to reimburse the expenditure of Reimbursable Costs.

Section 2. This resolution is intended to be and hereby is a declaration of the Authority's official intent to enable Borrower to reimburse itself for the Reimbursable Costs with proceeds of the Project Bonds in accordance with Treasury Regulations Section 1.150-2.

Section 3. The maximum principal amount of the Project Bonds is expected to be \$40,000,000.

Section 4. Except to the extent that they qualify as "preliminary expenditures" (as defined in Section 5, below) that aggregate less than 20% of the issue price of the Project Bonds, the Reimbursable Costs to be reimbursed with the proceeds of the Project Bonds will be "capital expenditures" in accordance with the meaning of Section 150 of the Code.

Section 5. For purposes of Section 4, "preliminary expenditures" mean architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

Section 6. No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations Section 1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147 of the Code. The proceeds of the Project Bonds used to reimburse the Borrower for Reimbursable Costs, or funds corresponding to such amounts, will not be used, within one year after the reimbursement allocation, 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 Section 1.148-1) of the Project Bonds 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 Section 1.148-1).

Section 7. All reimbursement allocations will occur not later than eighteen (18) months after the later of: (i) the date the particular Reimbursable Cost is paid, or (ii) the date the Project is "placed in service" (within the meaning of Treasury Regulations Section 1.150-2) or abandoned, but in no event more than three (3) years after the Reimbursable Cost is paid.

Section 8. This Resolution shall take effect immediately.