

EXTRACT from the minutes of a regular meeting of The Board of Education of the Township of Livingston in the County of Essex, New Jersey on May 13, 2019 at _____ p.m.

PRESENT:

ABSENT:

**RESOLUTION OF THE BOARD OF EDUCATION OF THE
TOWNSHIP OF LIVINGSTON IN THE COUNTY OF
ESSEX, NEW JERSEY DECLARING ITS OFFICIAL
INTENT TO REIMBURSE ITSELF FOR CAPITAL
EXPENDITURES INCURRED PRIOR TO ENTERING
INTO A LEASE PURCHASE AGREEMENT TO FINANCE
THE EQUIPMENT**

WHEREAS, The Board of Education of the Township of Livingston in the County of Essex, New Jersey (the "Board" when referring to the governing body, and the "School District" when referring to territorial boundaries) intends to finance the acquisition and installation of various technology hardware and software, vans and four school buses, including all related work (the "Equipment"); and

WHEREAS, the Board intends to finance the Equipment by entering into a lease purchase agreement (the "Obligations"); and

WHEREAS, the Board may incur and pay for the Equipment ("Equipment Costs") prior to the issuance of the Obligations with funds of the Board, which are not borrowed funds; and

WHEREAS, the Board 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 Board to finance the Equipment on a long-term basis by entering into a lease purchase agreement; and

WHEREAS, the Board desires to preserve its right to treat an allocation of proceeds of the Obligations to the reimbursement of Equipment Costs incurred and paid prior to the issuance of the Obligations as an expenditure for such Equipment Costs to be reimbursed for purposes of Sections 103 and 141 through 150, inclusive, of the Code.

NOW THEREFORE, BE IT RESOLVED by The Board of Education of the Township of Livingston in the County of Essex, New Jersey as follows:

Section 1. The Board reasonably expects to reimburse its expenditure of Equipment Costs paid prior to the issuance of the Obligations with proceeds of the Obligations.

(A) This resolution is intended to be and hereby is a declaration of the Board's official intent to reimburse the expenditure of Equipment Costs paid prior to the issuance of the Obligations with the proceeds from a lease purchase agreement, in accordance with Treasury Regulations §150-2.

(B) The Equipment Costs to be reimbursed with the proceeds will be "capital expenditures" in accordance with the meaning of Section 150 of the Code.

(C) 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 used to reimburse the Board for Equipment Costs, 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 Lease, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1).

(D) 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 Lease is paid, or (ii) the date the Equipment 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 2. The maximum principal amount of the Obligations expected to be issued by the Board to finance the Equipment is \$2,600,000.

Section 3. This resolution will take effect immediately.

STATE OF NEW JERSEY)
)
COUNTY OF) SS:

Steven K. Robinson, CPA, being first duly sworn on oath, deposes and says:

That deponent is Business Administrator/Board Secretary of The Board of Education of the Township of Livingston in the County of Essex , New Jersey and that the annexed extract from the minutes of a meeting of the Board of Education held on _____, 2019 at the time and place therein stated has been compared by deponent with the original minutes of the meeting recorded in full in the official Minute Book of the Board and is a true copy thereof and of the whole of the original so far as it relates to the subject matters referred to in this extract.

Steven K. Robinson, Business Administrator/
Board Secretary