

Member _____ introduced the following Resolution and moved for its adoption:

**RESOLUTION RELATING TO THE FINANCING OF A PROPOSED PROJECT TO
BE UNDERTAKEN BY THE SCHOOL DISTRICT; ESTABLISHING COMPLIANCE
WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL
REVENUE CODE**

BE IT RESOLVED by the School Board of Independent School District No. 745,
Albany Area Schools, Minnesota as follows:

1. Recitals.

- a. The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the Regulations) dealing with the issuance of tax-exempt obligations all or a portion of the proceeds of which are to be used to reimburse the School District for project expenditures made by the School District prior to the date of issuance (the Reimbursement Obligations).
- b. The Regulations generally require that the School District make a declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued series of tax-exempt obligations within 60 days after payment of the expenditures, that such obligations be issued and the reimbursement allocation be made from the proceeds of such obligations within the reimbursement period (as defined in the Regulations), and that the expenditures reimbursed be capital expenditures or costs of issuance of the obligations.
- c. The School District desires to comply with requirements of the Regulations with respect to the project hereinafter identified.

2. Official Intent Declaration.

- a. The School District proposes to undertake the following project and to make original expenditures with respect thereto prior to the issuance of Reimbursement Obligations, and as of the date hereof reasonably expects to issue Reimbursement Obligations for such project in the maximum principal amounts shown below:

Maximum Amount of Obligations Expected to be Issued for Project:
\$33,000,000

Project: acquisition and betterment of school facilities, including facility additions, renovations, and repairs; safety and security upgrades; technology

improvements; community facilities; classroom renovation and expansion; construction of a performing arts auditorium; expanding community access and space; and new buses and parking

- b. Other than (i) de minimis amounts permitted to be reimbursed pursuant to Section 1.150-2(f)(1) of the Regulations or (ii) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, the School District will not seek reimbursement for any original expenditures with respect to the foregoing Project paid more than 60 days prior to the date of adoption of this resolution. All original expenditures for which reimbursement is sought will be capital expenditures (as defined in Section 1.150-1(b) of the Regulations) or costs of issuance of the Reimbursement Obligations.
3. Budgetary Matters. As of the date hereof, there are no School District funds reserved, pledged, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, pledged, allocated on a long term basis or otherwise set aside) to provide permanent financing for the original expenditures related to the Project other than pursuant to the issuance of the Reimbursement Obligations. Consequently, it is not expected that the issuance of the Reimbursement Obligations will result in the creation of any replacement proceeds.
4. Reimbursement Allocations. The School District's financial officer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Reimbursement Obligations to reimburse the source of temporary financing used by the School District to make payment of the original expenditures relating to the Project. Each reimbursement allocation shall be made not later than (i) eighteen (18) months after the date of the original expenditure or (ii) eighteen (18) months after the date the Project are placed in service or abandoned (but in no event later than three (3) years after the original expenditure is paid) and shall be evidenced by an entry on the official books and records of the School District maintained for the Reimbursement Obligations and shall specifically identify the original expenditures being reimbursed.

The motion for the adoption of the foregoing Resolution was duly seconded by _____ and upon vote being taken thereon the following voted in favor thereof:

and the following voted against the same:

whereupon said Resolution was declared duly passed and adopted.

RRM: 211196