

**CREDIT RIVER TOWNSHIP
SCOTT COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2014-36

**DECLARING THE OFFICIAL INTENT OF
CREDIT RIVER TOWNSHIP TO REIMBURSE
CERTAIN EXPENDITURES FROM THE PROCEEDS
OF IMPROVEMENT BONDS TO BE ISSUED BY THE TOWNSHIP**

WHEREAS, the Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the “Reimbursement Regulations”) providing that proceeds of tax-exempt obligations used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; and

WHEREAS, Credit River Township (the “Township”) expects to incur certain expenditures that may be financed temporarily from sources other than tax-exempt obligations, and reimbursed from the proceeds of a tax-exempt obligation;

WHEREAS, the Township has determined to make this declaration of official intent (“Declaration”) to reimburse certain costs from proceeds of tax-exempt obligations in accordance with the Reimbursement Regulations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF CREDIT RIVER TOWNSHIP AS FOLLOWS:

1. The Township, proposes to undertake the improvements to Valley Oaks First Addition Project (the “Project”) (which includes the repair and bituminous paving of Valley Oaks Court).

2. The Township reasonably expects to reimburse the expenditures made for certain costs of the Project from the proceeds of tax-exempt obligations in an estimated maximum principal amount of \$601,250. All reimbursed expenditures will be capital expenditures, costs of issuance of the tax-exempt obligations, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

3. This Declaration has been made not later than 60 days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of tax-exempt obligations, except for the following expenditures: (a) costs of issuance of tax-exempt obligations; (b) costs in an amount not in excess of \$100,000 or 5 percent of the proceeds of an issue; or (c) “preliminary expenditures” up to an amount not in excess of twenty percent (20%) of the aggregate issue price of the issue or issues that finance or are reasonably expected by the Township to finance the project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, tax-exempt obligation 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.

4. This Declaration is an expression of the reasonable expectations of the Township based on the facts and circumstances known to the Township as of the date hereof. The anticipated original expenditures for the Project and the principal amount of the tax-exempt obligations described in paragraph 2 are consistent with the Township's budgetary and financial circumstances. No sources other than proceeds of tax-exempt obligations to be issued by the Township are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the Township's budget or financial policies to pay such Project expenditures.

5. This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

Approved by the Board of Credit River Township this 10th day of November, 2014.

CREDIT RIVER TOWNSHIP

Brent Lawrence, Chairman

Attest:

Lisa Quinn, Clerk