

**CITY OF LAKE ELMO  
WASHINGTON COUNTY, MINNESOTA**

**RESOLUTION 2001-058**

**DECLARATION OF OFFICIAL INTENT  
OF CITY OF LAKE ELMO, MINNESOTA  
TO REIMBURSE CERTAIN EXPENDITURES  
FROM PROCEEDS OF INDEBTEDNESS**

**WHEREAS**, the City of Lake Elmo, Minnesota (the "Issuer") intends to acquire, construct and improve water improvements in the City of Lake Elmo (the "Project");

**WHEREAS**, the Issuer expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis;

**WHEREAS**, the Issuer reasonably expects that debt obligations in an amount not expected to exceed \$2,000,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures;

**WHEREAS**, Section 1.150-2 of the Treasury Regulations (the "Regulations") require the Issuer to declare (i) its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing; (ii) that such expenditures will be paid out of the proceeds of the bond issue; (iii) that such declaration generally be made on or before the date the expenditure is actually paid, but not later than 60 days after payment of the expenditure; (iv) that the reimbursement allocation be made from bond proceeds not later than 18 months after the later of the date the expenditure is paid or the date the project is place in service (but in no event more than three years after the date of the expenditure is paid); and (v) that the expenditure is for a governmental purpose; and

**WHEREAS**, Section 1.150-2(f) of the Regulations does not require the Issuer to make official declaration of intent to reimburse itself: (i) regarding the costs of issuance of a bond; (ii) where the amount to be reimbursed does not exceed the lesser of \$100,000 or five percent (5%) of the proceeds of the bond issue; and (iii) regarding any "preliminary expenditures" (as that term is defined by Section 1.150-2(f)(2) of the Regulations), up to an amount not in excess of twenty percent (20%) of the aggregate issue price of the bonds reasonably expected to finance the project for which the preliminary expenditures have been incurred;

**NOW, THEREFORE,** the Issuer declares:


Section 1. The Issuer finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Issuer to make any expenditure, incur any indebtedness, or proceed with the Project.

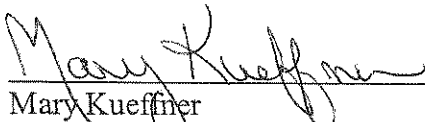
Section 3. The Issuer hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This declaration shall take effect from and after its adoption.

Adopted: August 7, 2001

  
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Lee Hunt  
Mayor

ATTESTED:

  
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Mary Kueffner  
City Administrator