

RESOLUTION No. 3400

RESOLUTION RELATING TO MOUSE RIVER FLOOD PROTECTION PLAN;
ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS
UNDER THE INTERNAL REVENUE CODE

BE IT RESOLVED by the City Council of the City of Minot, Ward County, North Dakota (the City) 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 bonds, all or a portion of the proceeds of which are to be used to reimburse the City for project expenditures made by the City prior to the date of issuance.

(b) The Regulations generally require that the City make a declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued series of bonds within 60 days after payment of the expenditures, that the bonds be issued and the reimbursement allocation be made from the proceeds of such bonds within the reimbursement period (as defined in the Regulations), and that the expenditures reimbursed be capital expenditures or costs of issuance of the bonds.

(c) The City desires to comply with requirements of the Regulations with respect to the project hereinafter identified.

2. Official Intent Declaration.

(a) The City desires to comply with requirements of the Regulations with respect to the financing of the City share of the financing of the Mouse River Flood Protection Plan (the "Project"), which Project is estimated to have a cost of approximately \$543,000,000, of which the local share is expected to be between 25-40%. The City expects to issue tax-exempt bonds, in one or more series, to finance its share of preliminary design and engineering and final construction costs in an amount not to exceed approximately [\$135,000,000.] With respect to the timing of reimbursement allocations, upon certification by a licensed architect or engineer that at least five years are necessary to complete the Project, the City may take advantage of the provisions of Section 1.150-2(d)(2)(iii) of the Regulations, but will otherwise cause any reimbursement allocation to be made no later than 18 months following the later of a) the date of payment or b) the date the Project is placed in service, but in no event more than three years after payment.

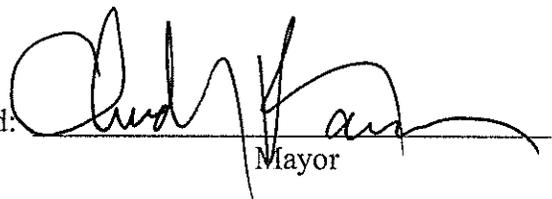
(b) Other than (i) de minimis amounts permitted to be reimbursed pursuant to Section 1.150-2(f)(1) of the Regulations or (ii) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, the City will not seek reimbursement for any original expenditures with respect to the Project paid more than 60 days prior to the date of adoption of this resolution. All original expenditures for which

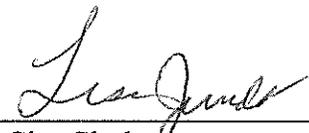
reimbursement is sought will be capital expenditures or costs of issuance of the reimbursement bonds.

3. Budgetary Matters. As of the date hereof, there are no City 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 bonds. Consequently, it is not expected that the issuance of the reimbursement bonds will result in the creation of any replacement proceeds.

4. Reimbursement Allocations. The City Finance Director 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 bonds to reimburse the source of temporary financing used by the City to make payment of the original expenditures relating to the Project. Each reimbursement allocation shall be made within 30 days of the date of issuance of the reimbursement bonds, shall be evidenced by an entry on the official books and records of the City maintained for the reimbursement bonds and shall specifically identify the original expenditures being reimbursed.

Adopted this 2nd day of March, 2015.

Approved: 
Mayor

Attest: 
City Clerk