

Town of Georgetown, IN
Resolution R-06-09

**A RESOLUTION OF THE TOWN COUNCIL OF GEORGETOWN,
INDIANA, DECLARING OFFICIAL INTENT WITH RESPECT TO
REIMBURSEMENT OF TEMPORARY ADVANCES MADE
FOR CAPITAL EXPENDITURES TO BE MADE FROM
SUBSEQUENT BORROWINGS; AND TAKING OTHER
ACTIONS IN CONNECTION THEREWITH**

WHEREAS, Treasury Regulations 1.150.2 (the "Reimbursement Regulations"), issued pursuant to §150 of the Internal Revenue Code of 1986, as amended, (the "Code") prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of "bonds" under §150 of the Code ("Obligations") used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Obligations may be deemed "spent" for purposes of 103 and 141 to 150 of the Code and therefore, not further subject to any other requirements or restrictions under those sections of the Code; and

WHEREAS, such Reimbursement Regulations require that the Borrower (as hereinafter defined) made a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Obligations intended to fund such Capital Expenditure and require that such Declaration of Official Intent be made no later than sixty (60) days after payment of the Capital Expenditure and further require that the Allocation (as hereinafter defined) of the proceeds of such Obligations to reimburse such Capital Expenditures occur no later than eighteen (18) months after the later of the date of the Capital Expenditure was paid or the date the property acquired with the Capital Expenditure was placed in service, except that any such Allocation must be made no later than three years after such Capital Expenditure was paid;

WHEREAS, Georgetown, Indiana (the "Borrower") wishes to ensure compliance with the Reimbursement Regulations; and

NOW THEREFORE, be it resolved as follows by the
Town Council of Georgetown Indiana:

Section 1. Definitions. The following definitions apply to the terms used herein:

"Allocation" means written evidence that proceeds of Obligations issued subsequent to the payment of a Capital Expenditure are to effect the reimbursement of the Borrower for such payments.

"Borrower" means Georgetown, Indiana

"Capital Expenditures" means any expense for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as any costs of issuing Reimbursement Bonds.

“Declaration of Official Intent” means a written declaration that the Borrower intends to find a Capital Expenditure with an issue of Reimbursement Bonds and reasonably expects to be reimbursed from the proceeds of such an issue.

“Reimbursement” means the restoration to the Borrower of money temporarily advanced from other funds of the Borrower to pay for Capital Expenditures before the issuance of Obligations intended to fund such Capital Expenditures. “To reimburse” means to make such a restoration.

“Reimbursement Bonds” means Obligations that are issued to reimburse the Borrower for Capital Expenditures previously paid by or for the Borrower.

“Reimbursement Regulations” means Treasury Regulations 1.150-2 and any amendments thereto or superseding regulations, whether in proposed, temporary or final form, as applicable, prescribing conditions under which the proceeds of Obligations which allocated or applied to a reimbursement will be treated as “spent” for purposes of 103 and 141 to 150 of the Code.

Section 2. Declaration of Official Intent.

(a) The Borrower declares that it reasonably expects that the Capital Expenditures described in Section (b), which were paid on the dates indicated, or which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations representing a borrowing by the Borrower in the maximum principal amount, for such reimbursements, of up to \$2,500,000; and

(b) The Capital Expenditure(s) to be reimbursed are to be used to pay a portion of the cost of the design, surveys, financial advisors’ fees, legal fees and costs of the acquisition, construction and equipping of a sewage treatment plant to be located at 5335 Old Georgetown Rd, Georgetown, Indiana, and owned by the Borrower.

Section 3. Reasonable Expectations. The Borrower does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed), to be reserved, allocated on a long-term basis, or otherwise set aside by the Borrower or any other entity, with respect to the Capital Expenditures described in 2(b).

Section 4. Other Actions. The President, the Clerk/Treasurer and other appropriate officials of the Borrower are hereby directed to take such other actions as may be necessary for the issuance of the Obligations.

Section 5. Effective Date. This resolution shall be effective from and after its date of adoption as provided by law.

Adopted at a duly convened meeting of the Town Council of Georgetown, Indiana on the

30 day of May, 2006.

GEORGETOWN, INDIANA
By: Its Town Council

Gary L. Smith
Gary Smith, President

Jeff McCaffrey
Jeff McCaffrey, Vice President

Jay Davis
Jay Davis, Member

Dean Hammersmith
Dean Hammersmith, Member

Chris Carter
Chris Carter, Member

ATTEST:

Douglas Cook
Douglas Cook, Clerk/Treasurer