

A RESOLUTION OF THE CITY OF LEBANON,) RESOLUTION NO. 2012-03
OREGON ADOPTING A STATEMENT OF)
OFFICIAL INTENT TO REIMBURSE CAPITAL)
EXPENDITURES FROM THE PROCEEDS)
OF A BORROWING REASONABLY EXPECTED)
TO BE ENTERED INTO BY THE CITY)

WHEREAS, the City of Lebanon, Oregon (the "City") is planning the acquisition, construction and equipping of improvements to the City's water, wastewater, storm drainage, and street utility systems, and site rehabilitation (collectively, the "Project"); and

WHEREAS, the City intends to incur expenditures relating to the Project, all within the meaning of Treasury Regulation §1.150-2(f)(2), and the City desires to declare its intent to finance all or a portion of the Project with the proceeds of tax-exempt obligations (the "Obligations"), the interest on which shall be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and to reimburse the City for any expenditures relating to the Project incurred by the City prior to the issuance of the Obligations.

NOW, THEREFORE, THE CITY OF LEBANON, LINN COUNTY, OREGON, DOES RESOLVE AS FOLLOWS:

Section 1. Reimbursement Resolution. The City adopts this Resolution as its official intent to allocate from the proceeds of a proposed borrowing reasonably expected to be entered into by the City, capital expenditures made not more than sixty (60) days prior to and following the adoption of this Resolution, to and including the date of the proposed borrowing. Preliminary expenditures in an amount not exceeding 20% of the Obligation proceeds or expenditures which do not exceed the lesser of \$100,000 or 5% of the Obligation proceeds are not subject to the 60 day limitation stated above. Preliminary expenditures include architectural, engineering, surveying, soil testing and similar costs incurred prior to commencement of acquisition, construction or rehabilitation of the Project, other than land acquisition, site preparation and similar costs incident to commencement of construction.

Section 2. Reimbursement Period. The City shall make the reimbursement allocation from the proceeds of the borrowing to the respective fund or accounts of the City from which the capital expenditures have been made no later than eighteen (18) months after the later of the date of the expenditure or the date that the Project is placed in service, but in no event more than three (3) years after the date of the expenditure. The City acknowledges that such reimbursement from bond proceeds may be made only to the extent that all other applicable requirements of Treasury

Regulation §1.150-2 are met with respect to the tax-exempt borrowing, and hereby directs all City officials and personnel to take such lawful actions as may be necessary or appropriate in order to ensure that such expenditures may be reimbursed from bond proceeds to the fullest extent permitted by law.

Section 3. Description of Project. The Project consists of the acquisition, construction and equipping of improvements to the City's water, wastewater, storm drainage, and street utility systems, and site rehabilitation.

Section 4. Project Cost. It is anticipated the cost of the Project, including costs incidental thereto, will not exceed \$11,900,000 (Eleven million, nine hundred thousand dollars).

Section 5. Further Action. The City Manager or Finance Director are hereby authorized to take such further action as is necessary to carry out the intent and purposes hereof in compliance with the applicable provisions of law.

Section 6. Effective Date. Pursuant to ORS 221.310(3), this resolution shall become effective upon passage by the Council and approval of the Mayor.

Adopted by the Lebanon City Council and executed on this 8th day of February, 2012 with 5 Yeas and 0 Nays (1 abstention).

CITY COUNCIL OF LEBANON, OREGON



Kenneth I. Toomb, Mayor

Bob Elliott, Council President

ATTESTED:


Linda Kaser, City Clerk/Recorder