

STATE OF ALABAMA)

COUNTY OF BALDWIN)

**REIMBURSEMENT RESOLUTION #2020-021
OF THE
BALDWIN COUNTY COMMISSION**

Whereas, the United States Department of the Treasury has issued final regulations (Section 1.150-2) relating to the use of proceeds of tax-exempt obligations for the reimbursement of expenditures made prior to the date of issuance of such tax-exempt obligations. Under the regulations in Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") in general, if specified requirements are satisfied, then proceeds used for reimbursement are deemed to be spent on the date of reimbursement. If such requirements are not satisfied, then proceeds used for reimbursement will remain subject to rebate, arbitrage and other rules relating to tax-exempt obligations until ultimately spent.

Whereas, Baldwin County, Alabama (the "Issuer") proposes to issue its General Obligation Warrants, Series 2019 (the "Warrants"), for the purpose, among others, of acquiring, constructing, and equipping certain capital improvements, to consist of renovations to the second floor of the courthouse (the "Improvements").

Whereas, the Issuer, through its governing body, has determined that it may be in the best public and financial interest of the Issuer to begin construction and pre-construction activities on the Improvements prior to the issuance of the Warrants.

Whereas, in the event the Issuer begins such activities prior to the issuance of the Warrants, it is the Issuer's official intent to reimburse its General Fund for such expenditures from a portion of the proceeds of the Warrants.

NOW THEREFORE BE IT RESOLVED AND ORDERED BY THE ISSUER AS FOLLOWS:

1. The Issuer hereby declares and reaffirms its official intent, pursuant to Treas. Reg. Section 1.150-2, to reimburse any prior expenditure by the Issuer for the Improvements from a portion of the proceeds of the Warrants. Prior to the issuance of the Warrants, any funds spent by the Issuer for the Improvements are expected to be from the General Fund of the Issuer.

2. The aggregate principal amount of the Warrants is expected to be approximately \$13,000,000. The maximum amount for which the Issuer expects to reimburse the Issuer's General Fund from the proceeds of the Warrants is approximately \$1,500,000.

3. Any reimbursements to the Issuer with respect to the Improvements are expected to be made on or before the later of the date eighteen months after the expenditure is paid or after the property is placed in service. Any reimbursable prior expenditure shall be for engineering, architectural or other preliminary expenses as recognized in Section 1.150-2(f) or shall be a capital expenditure properly chargeable to a capital account (or would be so chargeable with a proper election such as an election under Section 266) under general federal income tax principles.

4. All action heretofore taken by the Issuer in connection with the Improvements is hereby ratified and confirmed.

DONE, under the Seal of the County of Baldwin, at the County Seat in Bay Minette, Alabama, on this the 5th day of November, 2019.


Commissioner Billie Jo Underwood, Chairman

ATTEST:


Wayne A. Dyess, County Administrator

