RESOLUTION 88-5

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, INDIANA CONCERNING THE ISSUANCE AND SALE OF BONDS AND THE DESIGNATION OF THE BONDS FOR PURPOSES OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE

WHEREAS, the Board of Park Commissioners ("Board") of the City of Bloomington, Indiana ("City") has adopted a final bond resolution authorizing the issuance of Three Million Eight Hundred Thousand Dollars ($3,800,000) of the City's Park District Bonds of 1988 ("Bonds") to finance the acquisition of certain land for park purposes and the construction of certain improvements to the park facilities;

WHEREAS, the Board has designated the Bonds as tax exempt bonds to qualify the Bonds for the $10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986 ("Code") relating to the disallowance of 100% of the deduction by financial institutions for interest expense allocable to tax-exempt obligations; and

WHEREAS, the Board has requested the City to confirm this designation.

NOW, THEREFORE, be it resolved by the Common Council of the City of Bloomington, Indiana that:

1. The Bonds will not be private activity bonds as defined in Section 141 of the Code.

2. The City hereby confirms the Board's designation of the Bonds as qualified tax-exempt obligations for purposes of the $10,000,000 exception from the provisions of Section 265(b) of the Code relating to the disallowance of 100% of the deduction by financial institutions for interest expense allocable to tax-exempt obligations.

3. The reasonably anticipated amount of tax-exempt obligations to be issued by the City (including qualified 501(c)(3) obligations, but excluding other private activity bonds), all entities to which the City is subordinate and all entities subordinate to the City during 1988 is not reasonably expected to exceed $10,000,000.

4. The City has designated no other obligations as qualified tax-exempt obligations in 1988.

5. Based on the foregoing, the City expects the Bonds to qualify for the exception in Section 265(b)(3) of the Code

from the disallowance of 100% of the deduction by financial institutions of the interest expense allocable to tax-exempt obligations.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 2nd day of March, 1988.

Pam Service

Pam Service, President
Bloomington Common Council

SIGNED and APPROVED by me upon this 4th day of March, 1988.

Tomilea Allison

Tomilea Allison, Mayor
City of Bloomington

ATTEST:

Patricia Williams

Patricia Williams, City Clerk

SYNOPSIS

This Resolution, in accordance with the Internal Revenue Code, states that the Park District Bonds of 1988 are eligible for sale to banking institutions.

Signature approved by: Park & Rec 3/4/87
Controller
Legal