

## **RESOLUTION NO. 595**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF EVERETT SCHOOL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON, DESIGNATING AN OFFICIAL RESPONSIBLE FOR DECLARING OFFICIAL INTENT TO REIMBURSE CAPITAL EXPENDITURES WITH TAX-EXEMPT BONDS WITHIN THE MEANING OF TREASURY REGULATION SECTION 1.150-2**

### **EVERETT SCHOOL DISTRICT NO. 2 Snohomish County, Washington**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF EVERETT SCHOOL DISTRICT NO. 2, SNOHOMISH COUNTY, WASHINGTON, as follows:

WHEREAS, Everett School District No. 2, Snohomish County, Washington (the "District"), is a first-class school district, duly organized and existing under and by virtue of the Constitution and laws of the State of Washington;

WHEREAS, chapters 28A.530, 39.36 and 39.46 RCW authorize the District to issue Tax-Exempt bonds to acquire, construct, renovate and install improvements to its facilities and for other District purposes;

WHEREAS, to the extent the District intends to issue tax-exempt bonds to finance the District's expenditures, Treasury Regulation Section 1.150-2, which was promulgated under the Internal Revenue Code of 1986, as amended, requires that the District adopt its official intent to reimburse itself with bond proceeds not later than 60 days after payment of any capital expenditures that will be reimbursed by bond proceeds;

WHEREAS, the District and its taxpayers substantially benefit from the District's ability to issue tax-exempt bonds because the interest charged on tax-exempt obligations is less than the interest charged on comparable taxable obligations; and

WHEREAS, the Board of Directors of the District (the "Board") finds it necessary and desirable to designate an official of the District to declare the District's "official intent" to reimburse itself with bond proceeds, within the meaning of Treasury Regulation Section 1.150-2;

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED as follows:

*Section 1:* The Board hereby designates the Deputy Superintendent of the District (the "Designated Official"), to declare the District's "official intent" to reimburse certain capital expenditures with future bond proceeds within the meaning of Treasury Regulation Section 1.150-2.

*Section 2:* The Designated Official is hereby authorized to execute a declaration of official intent on behalf of the District, in substantially the form attached hereto as Exhibit "A," for each project where the District intends to internally finance all or a portion of the costs and expenses of such project and thereafter issue bonds to reimburse itself for such expenditures (a "Declaration of Official Intent").

*Section 3:* Each Declaration of Official Intent shall (i) describe the purpose of the expenditure(s) or identify, by name and functional purpose, the fund or account from which the expenditure(s) will be paid, and (ii) state the maximum principal amount of bonds the District reasonably expects to issue for the project.

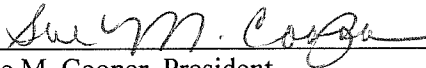
*Section 4:* The Designated Official shall receive no compensation for serving as the District's Designated Official hereunder.

*Section 5:* The Board hereby reserves the right to re-designate its Designated Official from time to time, and at any time.

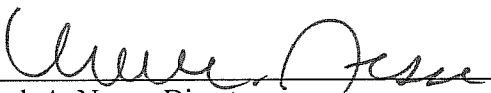
*Section 6:* This resolution shall become effective immediately upon its adoption by the Board.


ADOPTED by the Board of Directors of Everett School District No. 2, Snohomish County, Washington, at a regular meeting thereof, held this third day of June, 1996.

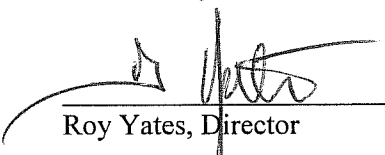
EVERETT SCHOOL DISTRICT NO. 2  
Snohomish County, Washington

  
Sue M. Cooper, President

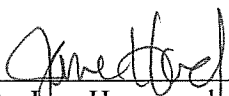
  
Paul Baldwin, Vice President

  
Mark A. Nesse, Director

  
Paula Kelley-Clarke, Director

  
Roy Yates, Director

Attest:

  
Dr. Jane Hammond,  
Secretary of the Board of Directors

(SEAL)

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### CERTIFICATION

I, Dr. Jane Hammond, the Superintendent of the Everett School District No. 2, Snohomish County, Washington, hereby certify that the foregoing resolution is a full, true and correct copy of a resolution duly passed and adopted at a regular meeting of the Board of Directors of said District, duly held at the regular meeting place thereof on June 3, 1996, of which meeting all members of said Board had due notice, and at which a majority thereof was present; and that at said meeting said resolution was adopted by the following vote:

AYES, and in favor thereof, Directors: *Unanimous*

NAYS, Directors:

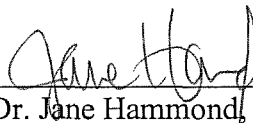
ABSENT, Directors:

ABSTAIN, Directors:

I further certify that I have carefully compared the same with the original resolution on file and of record in my office; that said resolution is a full, true and correct copy of the original resolution adopted at said meeting; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have set my hand on June 3, 1996.

EVERETT SCHOOL DISTRICT NO. 2  
Snohomish County, Washington



Dr. Jane Hammond,  
Secretary of the Board of Directors

(SEAL)

**[Form of Official Intent for Expenditures to be Reimbursed  
Through Future Bond Issues]**

**Declaration of Official Intent**

The undersigned, a person designated by the Board of Directors of Everett School District No. 2, Snohomish County, Washington (the "District") to declare official intent on behalf of the District, by this declaration (the "Declaration") intends to declare official intent under Treasury Regulation Section 1.150-2 on behalf of the District.

The District reasonably expects that it will [acquire] [construct] [renovate]  
\_\_\_\_\_1 (the "Project").

The District reasonably expects that it will reimburse the expenditures for the Project with proceeds of an obligation (the "Bonds"). It is expected that the maximum principal amount of the Bonds to be issued for the Project will be \$\_\_\_\_\_.

**Requirements for Treatment as a Reimbursement**

The District acknowledges that for the cost of the Project to be reimbursed from the proceeds of the Bonds, a number of federal income tax law requirements must be met. These requirements include the following:

(1) The Declaration must be made not later than 60 days after payment of the expenditure to be reimbursed. In the case of preliminary expenditures (architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs incurred prior to commencement of construction, rehabilitation, or acquisition of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction) to the extent not in excess of 20 percent of the cost of the Project to be financed with the sale proceeds of the Bonds, no Declaration need be made. In addition, no Declaration need be made for (i) costs of issuance of the Bonds, or (ii) an amount not in excess of the lesser of \$100,000 or five percent of the proceeds of the Bonds.

(2) The "reimbursement allocation" must occur after the expenditure is paid, and not later than 18 months after the later of (i) the date the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three years after the expenditure is paid. If the Bonds are eligible for the small issuer exception from arbitrage rebate, the "18-month" limitation is extended to "three years" and the "three-

<sup>1</sup> Insert a general functional description of the property, project or program (e.g., capital improvements to the District or purchase of real or personal property) or identify, by name and functional purpose, the fund or account from which the expenditure is being paid (e.g., capital projects fund, general fund or transportation vehicle fund). Do not be overly specific, since any change in the property that is not a "reasonable deviation" cannot be reimbursed.

year" maximum reimbursement period is not applicable. In the case of a construction project for which both the District and a licensed architect or engineer certify that at least five years is necessary to complete construction of the Project, the maximum reimbursement period is extended from "three years" to "five years." A "reimbursement allocation" must be in writing and must evidence the District's use of proceeds of the Bonds to reimburse an expenditure. The requirements of this paragraph do not apply to (i) costs of issuance of the Bonds, or (ii) an amount not in excess of the lesser of \$100,000 or five percent of the proceeds of the Bonds.

(3) The reimbursement proceeds of the Bonds (or amounts corresponding to the reimbursement proceeds of the Bonds) may not be used (directly or indirectly) within one year after the date of the reimbursement allocation in a manner that results in the creation of replacement proceeds (as defined in Treasury Regulation Section 1.148-1) of the Bonds or another issue. The preceding sentence does not apply to reimbursement proceeds or other amounts deposited into a bona fide debt service fund. A reimbursement allocation will not result in an expenditure of proceeds of the Bonds for federal income tax purposes if the allocation employs an abusive arbitrage device.

(4) The expenditures to be reimbursed must be capital expenditures for federal income tax purposes (i.e. costs that are properly chargeable to capital account or that would be so chargeable with a proper election), costs of issuing the Bonds, expenditures relating to certain extraordinary working capital items, or certain grants.

Dated: \_\_\_\_\_

EVERETT SCHOOL DISTRICT NO. 2  
Snohomish County, Washington

\_\_\_\_\_  
Deputy Superintendent

## **Declaration of Official Intent**

The undersigned, a person designated by the Board of Directors of Everett School District No. 2, Snohomish County, Washington (the "District") to declare official intent on behalf of the District, by this declaration (the "Declaration") intends to declare official intent under Treasury Regulation Section 1.150-2 on behalf of the District.

The District reasonably expects that it will acquire, construct and equip capital improvements to District facilities (the "Project").

The District reasonably expects that it will reimburse the expenditures for the Project with proceeds of an obligation (the "Bonds"). It is expected that the maximum principal amount of the Bonds to be issued for the Project will be \$68,500,000.

### **Requirements for Treatment as a Reimbursement**

The District acknowledges that for the cost of the Project to be reimbursed from the proceeds of the Bonds, a number of federal income tax law requirements must be met. These requirements include the following:

(1) The Declaration must be made not later than 60 days after payment of the expenditure to be reimbursed. In the case of preliminary expenditures (architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs incurred prior to commencement of construction, rehabilitation, or acquisition of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction) to the extent not in excess of 20 percent of the cost of the Project to be financed with the sale proceeds of the Bonds, no Declaration need be made. In addition, no Declaration need be made for (i) costs of issuance of the Bonds, or (ii) an amount not in excess of the lesser of \$100,000 or five percent of the proceeds of the Bonds.

(2) The "reimbursement allocation" must occur after the expenditure is paid, and not later than 18 months after the later of (i) the date the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three years after the expenditure is paid. If the Bonds are eligible for the small issuer exception from arbitrage rebate, the "18-month" limitation is extended to "three years" and the "three year" maximum reimbursement period is not applicable. In the case of a construction project for which both the District and a licensed architect or engineer certify that at least five years is necessary to complete construction of the Project, the maximum reimbursement period is extended from "three years" to "five years." A "reimbursement allocation" must be in writing and must evidence the District's use of proceeds of the Bonds to reimburse an expenditure. The requirements of this paragraph do not apply to (i) costs of issuance of the Bonds, or (ii) an amount not in excess of the lesser of \$100,000 or five percent of the proceeds of the Bonds.

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(4) The expenditures to be reimbursed must be capital expenditures for federal income tax purposes (i.e. costs that are properly chargeable to capital account or that would be so chargeable with a proper election), costs of issuing the Bonds, expenditures relating to certain extraordinary working capital items, or certain grants.

Dated: \_\_\_\_\_

EVERETT SCHOOL DISTRICT NO. 2  
Snohomish County, Washington

\_\_\_\_\_  
Deputy Superintendent