

REIMBURSEMENT RESOLUTION

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF EDUCATION OF THE SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT REGARDING ITS INTENTION TO ISSUE TAX-EXEMPT GENERAL OBLIGATION BONDS

WHEREAS, the Board of Education of the Santa Monica-Malibu Unified School District (the “District”) desires to finance the costs of acquiring land, acquiring, constructing, reconstruction and/or equipping of school facilities, as well as undertake a revision to the District’s master facility plans, as provided in Exhibit A hereto and incorporated herein (the “Project”);

WHEREAS, the District intends to finance the acquisition, construction, reconstruction and/or equipping of the Project or portions of the Project with the proceeds of the sale of general obligation bonds or other forms of debt, the interest upon which is excluded from gross income for federal income tax purposes (the “Obligations”); and

WHEREAS, prior to the issuance of the Obligations the District desires to incur certain capital expenditures (the “Expenditures”) with respect to the Project from available moneys of the District;

WHEREAS, the Board of Education has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the District for the Expenditures from the proceeds of the Obligations; and

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, ORDER, AND DETERMINE AS FOLLOWS:

SECTION 1. The District hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

SECTION 2. The reasonably expected maximum principal amount of the first series of Obligations from which reimbursements will be made is \$100,000,000 million.

SECTION 3. This resolution is being adopted not later than 60 days after the payment of the original Expenditures (the “Expenditures Dates or Dates”).

SECTION 4. The District will make a reimbursement allocation, which is a written allocation that evidences the District’s use of proceeds of the Obligations to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. If both the District and a licensed architect or engineer certify that at

least 5 years is necessary to complete construction of the Project, the maximum reimbursement period is changed from 3 years to 5 years.

SECTION 5. Each Expenditure will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Obligations, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the District so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the District.

SECTION 6. This resolution is consistent with the budgetary and financial circumstances of the District, as of the date hereof. No moneys from sources other than the Obligations are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the District (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board is not aware of the previous adoption of official intents by the District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 7. This resolution is adopted as official action of the District in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of District expenditures incurred prior to the date of issue of the Obligations.

SECTION 8. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

SECTION 9. All the recitals in this resolution are true and correct and this Board of Education so finds, determines and represents.

ADOPTED, SIGNED AND APPROVED this 2nd day of February, 2006.

BOARD OF EDUCATION OF THE SANTA
MONICA-MALIBU UNIFIED SCHOOL DISTRICT

By _____
President

Attest:

Secretary

STATE OF CALIFORNIA)
)ss
LOS ANGELES COUNTY)

I, _____, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____, which was duly adopted by the Board of Education of the Santa Monica-Malibu Unified School District at meeting thereof held on the ____ day of February, 2006, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

By _____
Secretary

EXHIBIT A

The Project includes the acquisition of land and the construction and modernization of school facilities and to pay all necessary legal, financial, architectural, environmental, engineering, planning and contingent costs in connection therewith, as well as the costs of completing all appropriate master facility plans or other planning documents necessary to inventory all the facility needs of the District.