

CITY OF STANWOOD, WASHINGTON

RESOLUTION NO. 2011-4

A RESOLUTION of the City of Stanwood, Washington, designating the Finance Director as the official authorized to make declarations of official intent on behalf of the City and declaring an official intent to reimburse capital expenditures in connection with the City's water system improvements and upgrades from proceeds of a future borrowing.

WHEREAS, the City of Stanwood, Washington (the "City"), intends to make expenditures for the Improvements (identified below) and from time to time may reasonably expect to make expenditures for other capital projects (or certain extraordinary working capital expenditures) from funds that are available but that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside for those expenditures, and would reasonably expect to be reimbursed for those expenditures from proceeds of bonds or other obligations ("bonds") issued to finance those expenditures; and

WHEREAS, certain federal regulations (the "federal reimbursement regulations") relating to the use of proceeds of tax exempt bonds or other obligations to reimburse the issuer of the bonds for expenditures made before the issue date of the bonds require, among other things, that not later than 60 days after payment of the original expenditure the City (or any person designated by the City to do so on its behalf) declare a reasonable official intent to reimburse those expenditures from proceeds of bonds; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, as follows:

Section 1. Description of Improvements for Which Expenditures are to be Made. The City intends to make (and/or, not more than 60 days before the date of this declaration, has made) expenditures, and reasonably expects to reimburse itself for those expenditures from proceeds of bonds, for the following improvements (the “Improvements”):

Water systems improvements and upgrades consistent with the City’s capital improvement program.

Section 2. Maximum Principal Amount of Obligations Expected to be Issued for the Improvements. The City expects that the maximum principal amount of bonds that will be issued to finance the Improvements will be \$2,700,000.

Section 3. Declaration Reasonable. The City Council has reviewed its existing and reasonably foreseeable budgetary and financial circumstances and has determined that the City reasonably expects to reimburse itself for expenditures for the Improvements from proceeds of bonds because the City has no funds available that already are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the City for those expenditures on the Improvements.

Section 4. Limitations on Uses of Reimbursement Amounts. The City will not, within one year after the expected reimbursement, use amounts corresponding to proceeds received from bonds issued in the future to reimburse the City from previously paid expenditures for the Improvements in any manner that results in those amounts being treated as replacement proceeds of any tax exempt bonds, i.e., as a result of being deposited in a reserve fund, pledged fund, sinking fund or similar fund (other than a bona fide debt service fund) that is expected to be used to pay principal of or interest on tax exempt bonds. Nor will the City use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

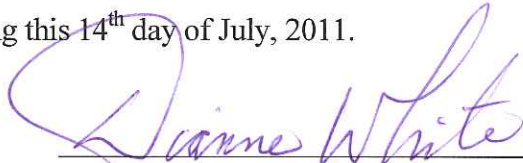
Section 5. Date of Declaration of Official Intent. This declaration of official intent shall be dated as of the date of adoption of this resolution.

Section 6. Designation of Official to Declare Official Intent. The Finance Director of the City is designated to make declarations of official intent, substantially in the form attached to this resolution as Exhibit A or in such other form as may be consistent with or shall be prescribed by Treasury Regulation Section 1.150-2, on behalf of the City as may be necessary or appropriate from time to time for any purpose under, and in compliance with, the requirements of the federal reimbursement regulations.

Section 7. Ratification and Confirmation. Any actions of the City or its officers prior to the date thereof and consistent with the terms of this resolution are ratified and confirmed.

Section 8. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

The foregoing resolution was ADOPTED by the City Council of the City of Stanwood, Washington, at a regular open public meeting this 14th day of July, 2011.



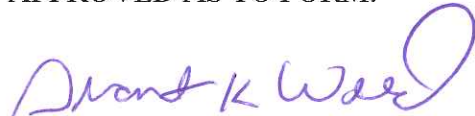
Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney

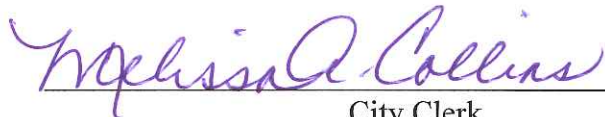
CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting City Clerk of the City of Stanwood, Washington (the "City"), and keeper of the records of the City Council of the City (herein called the "Council"), DO HEREBY CERTIFY:

1. That the attached Resolution No. 2011-4 (herein called the "Resolution") is a true and correct copy of a resolution of the City, as passed at a regular meeting of the Council held on the 14th day of July, 2011 and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Resolution; that all other requirements and proceedings incident to the proper passage of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of July, 2011.



City Clerk
City of Stanwood, Washington

EXHIBIT A

Declaration of Official Intent to Reimburse
Expenditures from Proceeds of Bonds

I, the undersigned Crystil Robinson, am the duly appointed, qualified and acting Finance Director of the City of Stanwood, Washington (the "City"), and, as such, have been designated by the City to make declarations of official intent on behalf of the City when necessary or appropriate for any purpose under, and in compliance with, the requirements of certain federal regulations (the "federal reimbursement regulations") relating to the use of proceeds of tax exempt bonds or other obligations ("bonds") to reimburse the City for capital expenditures (and certain extraordinary working capital expenditures) made by the City before the issue date of the bonds. On behalf of the City, I make the following declaration of official intent under the federal reimbursement regulations:

1. Description of Project for Which Expenditures are to be Made. The City intends to make (and/or, not more than 60 days before the date of this declaration, has made) expenditures, and reasonably expects to reimburse itself for those expenditures from proceeds of bonds, for the following project, property, or program (the "Project"):

Water systems improvements and upgrades consistent with the City's capital improvement program.

2. Maximum Principal Amount of Obligations Expected to be Issued for the Project. The City expects that the maximum principal amount of bonds that will be issued to finance the Project will be \$2,700,000.

3. Declaration Reasonable. I have reviewed the existing and reasonably foreseeable budgetary and financial circumstances of the City, and have determined that the City reasonably expects to reimburse itself for expenditures for the Project from proceeds of bonds because the City has no funds available that already are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the City for those expenditures on the Project.

4. Limitations on Uses of Reimbursement Amounts. The City will not, within 1 year after the expected reimbursement, use amounts corresponding to proceeds received from bonds issued in the future to reimburse the City for previously paid expenditures for the Project in any manner that results in those amounts being treated as replacement proceeds of any tax exempt bonds, i.e., as a result of being deposited in a reserve fund, pledged fund, sinking fund, or similar fund (other than a bona fide debt service fund) that is expected to be used to pay principal of or interest on tax exempt bonds. Nor will the City use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

5. Date of Declaration.
July 14, 2011.

This declaration of official intent is dated

CITY OF STANWOOD, WASHINGTON

By Cynthia O. Roberson
Finance Director