

**RESOLUTION NO. 16-01**

**RESOLUTION OF MORAGA-ORINDA FIRE PROTECTION DISTRICT  
DECLARATION OF OFFICIAL INTENT**

WHEREAS, the Moraga-Orinda Fire Protection District (the “District”) has determined that there exists a need for the construction, renovation and equipping of Station 43 in Orinda, California (the “Project”) to provide fire protection services to the population within its jurisdiction.

WHEREAS, the District expects to issue bonds, notes or other debt obligations (the “Obligations”) to provide funds to pay various types of expenditures incurred in connection with the Project.

WHEREAS, (a) more than sixty days preceding the date of this Resolution (the “Official Intent Date”) and before the issuance of the Obligations, the District has or may have initially used funds not derived from the proceeds of the Obligations to pay certain preliminary expenditures for architectural, engineering, surveying, soil testing, costs of issuing the Obligations or similar purposes, (b) within the sixty days preceding the Official Intent Date and before the issuance of the Obligations, the District has or may have initially used funds not derived from the proceeds of the Obligations to pay certain acquisition, planning, design, legal or other costs and expenses incurred by the District in connection with the Project, and (c) the District expects initially to use funds not derived from proceeds of the Obligations to pay on or after the Official Intent Date and before the issuance of the Obligations additional acquisition, planning, design, legal and other costs and expenses incurred by the District in connection with the Project (collectively, the “Advanced Funds”).

WHEREAS, the District reasonably anticipates that the Advanced Funds will be available to pay expenditures incurred in connection with the Project only for a temporary period and does not reasonably expect to have any funds (other than the proceeds of the Obligations) allocated on a long-term basis, reserved, or otherwise available pursuant to its budgetary or financial policies to pay the expenditures initially to be paid with the Advanced Funds.

WHEREAS, the U.S. Treasury Department regulations do not allow the proceeds of a tax-exempt borrowing to be spent on working capital.

WHEREAS, the District may pay certain capital expenditures in connection with the Project prior to its receipt of proceeds of the Obligations for such expenditures and such expenditures are not expected to exceed the Maximum Principal Amount (as defined below).

WHEREAS, the District hereby declares its official intent to be reimbursed for any capital expenditures incurred in connection with the Project from the proceeds of the Obligations.

NOW, THEREFORE, Be It Resolved by the Board of Directors of the District:

SECTION 1. Expression of Intent. The District reasonably expects to use the proceeds of the Obligations to be issued by it to reimburse itself for some or all of the expenditures described below made with the Advanced Funds.

SECTION 2. Expenditures to be Reimbursed. All of the expenditures initially paid or to be paid with the Advanced Funds and then to be reimbursed from proceeds of the Obligations have been or will be for (i) costs of a type properly chargeable to the capital account of the Project under general income tax principles, (ii) non-recurring working capital expenditures (that are not customarily payable from current revenues), or (iii) costs of issuing the Obligations. No proceeds of the Obligations will be used to reimburse any expenditures originally paid more than sixty days prior to the Official Intent Date except those expenditures constituting “preliminary expenditures.” For purposes of this Resolution, “preliminary expenditures” means expenditures for architectural, engineering, surveying, soil testing, costs of issuing the Obligations, or similar purposes.

SECTION 3. Maximum Amount of Debt. The District intends that the principal amount of the Obligations to be issued by it to provide financing for the Project will not exceed \$5,000,000 (the “Maximum Principal Amount”).

SECTION 4. Declaration of Official Intent. This Resolution constitutes a declaration of the official intent of the District, within the contemplation of Section 1.150-2 of the Treasury Regulations promulgated by the United States Department of the Treasury.

SECTION 5. Effectiveness of Resolution. This Resolution shall take effect immediately upon its adoption and approval.

PASSED, APPROVED and ADOPTED this 6<sup>th</sup> day of January, 2016 at a regular meeting of the District Board of Directors held at 22 Orinda Way, Orinda, California, 94563, on motion made by Director Famulener, seconded by Director Weil, and duly carried with the following roll call vote.

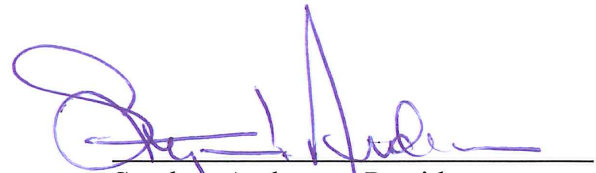
AYES: Directors Barber, Famulener and Weil

NOES: Director Anderson

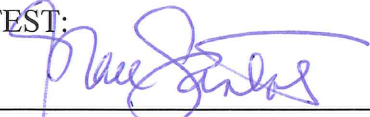
ABSENT: Director Evans

ABSTAIN: None

Dated: January 6, 2016

  
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Stephen Anderson, President  
Board of Directors

ATTEST:

  
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Grace Santos, Clerk to the Board