

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE BOARD OF EDUCATION OF THE COVINGTON INDEPENDENT SCHOOL DISTRICT DECLARING THE DISTRICT'S OFFICIAL INTENT TO REIMBURSE ITSELF FOR CERTAIN CAPITAL EXPENDITURES WITH THE PROCEEDS OF AN ISSUE OF TAX-EXEMPT OBLIGATIONS.

WITNESSETH:

WHEREAS, except as otherwise provided, all capitalized terms used in this preamble have the meanings set forth in Section 2 of this Resolution; and

WHEREAS, Covington Independent School District (the "District"), an independent school district and a political subdivision of the Commonwealth of Kentucky, intends to acquire, construct, install, and equip various improvements to its Career and Technical Center and the athletic facilities at Holmes High School (collectively, the "Project"); and

WHEREAS, the District expects to expend general operating funds or capital reserve funds in the future to pay Capital Expenditures in connection with the Project; and

WHEREAS, under Section 150 of the Code and the Reimbursement Regulations, the District is permitted to issue Tax-Exempt Obligations and to use the proceeds thereof to reimburse itself for the prior payment of Capital Expenditures related to the Project, so long as the District, among other things, (i) adopts a Declaration of Official Intent within sixty days after the payment of such Capital Expenditures, and (ii) makes a Reimbursement Allocation within eighteen months after the later of (a) the date on which a Capital Expenditure was paid, or (b) the date on which the property acquired with the Capital Expenditures was placed into service and, in either event, no later than three years after the Capital Expenditures were paid; and

WHEREAS, the District desires to make a Declaration of Official Intent in accordance with the Reimbursement Regulations with respect to the payment of Capital Expenditures for the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE COVINGTON INDEPENDENT SCHOOL DISTRICT, AS FOLLOWS:

Section 1.     Affirmation of Preamble. It is hereby found, determined, and declared that the facts, recitals, and definitions set forth in the recitals of this Resolution are true and correct and are hereby affirmed, and all acts described in the recitals of this Resolution are hereby ratified. Such facts, recitals, and definitions are hereby adopted and incorporated as a part of this Resolution.

Section 2.     Definitions. The following definitions apply to the terms used herein:

“Allocation” means written evidence that the proceeds of Tax-Exempt Obligations issued after the payment of any Capital Expenditures will be used to reimburse the District for such payments.

“Capital Expenditure” means any expense related to the Project for any item that is properly depreciable or amortizable or that is otherwise treated as a capital expenditure for the purposes of the Code, as well as the costs of issuing Reimbursement Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Declaration of Official Intent” means a written declaration of the District, including this Resolution, stating that the District intends to finance Capital Expenditures relating to the Project with an issue of Reimbursement Bonds and that the District reasonably expects that it will use the proceeds of such issue to reimburse itself for the payment of such Capital Expenditures.

“Reimbursement” means restoration to the District of moneys temporarily advanced from any funds, including moneys borrowed from other sources, by the District to pay for any Capital Expenditures related to the Project before the issuance of Reimbursement Bonds for the purposes of financing such Capital Expenditures. “To reimburse” means to make such a restoration.

“Reimbursement Bonds” means any Tax-Exempt Obligations issued to reimburse the District for Capital Expenditures and certain other expenses permitted by the Reimbursement Regulations previously paid by or for the District in connection with the Project.

“Reimbursement Regulations” means U.S. Treasury Regulation § 1.150-2 and any amendments thereto or any superseding regulations, whether in proposed, temporary, or final form, as the case may be, prescribing the conditions under which the proceeds of Tax-Exempt Obligations may be allocated to reimburse the District for Capital Expenditures and certain other expenses paid by or for the District with respect to the Project before the issuance of the Tax-Exempt Obligations so that the proceeds of such Tax-Exempt Obligations will be treated as “spent” for the purposes of Section 103 and Sections 141 to 150 of the Code.

“Tax-Exempt Obligations” means tax-exempt bonds, notes, certificates, or any other obligations included in the meaning of “bonds” under Section 150 of the Code.

Section 3.     Declaration of Official Intent. The District hereby declares, in accordance with the Reimbursement Regulations, its official intent to reimburse itself for the payment of any Capital Expenditures for the Project with the proceeds of Reimbursement Bonds to be issued in a reasonably anticipated amount of up to \$2,000,000 for the purpose of financing the Capital Expenditures for the Project that may occur before the issuance of Reimbursement Bonds.

[Signature page to follow]

SIGNATURE PAGE TO REIMBURSEMENT RESOLUTION

DULY ADOPTED by the Board of Education of the Covington Independent School District, in lawful session assembled this August 29, 2024.

---

Tom Haggard,  
Chair

Attest:

---

Alvin Garrison,  
Secretary

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education of the Covington Independent School District, and as such, I do hereby further certify that the foregoing is a true, accurate, and complete copy of a Resolution duly enacted by the Board of Education of the District at a duly convened meeting held on August 29, 2024, on the same occasion signed by the Chair of the Board of Education as evidence of his approval, and now in full force and effect, all as appears from the official records of the District in my possession and under my control.

WITNESS MY HAND as of this August 29, 2024.

---

Alvin Garrison,  
Secretary