

RESOLUTION
OF THE REGENTS OF THE
UNIVERSITY OF CALIFORNIA

WHEREAS, The Regents of the University of California ("The Regents") expects to make capital expenditures from time to time prior to The Regents' issuance of taxable or tax-exempt debt obligations to finance such expenditures; and

WHEREAS, section 1.103-17 of the proposed Treasury Regulations generally requires The Regents, or its authorized representative, to declare The Regents' reasonable intent to reimburse capital expenditures from the proceeds of taxable or tax-exempt debt obligations prior to the date on which such expenditures are made;

NOW, THEREFORE, BE IT RESOLVED by The Regents as follows:

Section 1. The President of the University of California, or the President's designee, is hereby authorized to declare the official intent of The Regents to reimburse expenditures from the proceeds of future taxable or tax-exempt debt obligations issued by The Regents. Any such declaration by the President of the University of California, or the President's designee, shall be substantially in the form attached hereto.

Section 2. This Resolution is adopted by The Regents solely for purposes of establishing compliance with the requirements of section 1.103-17 of the proposed and final Treasury Regulations. Neither this Resolution, nor any action taken by any person pursuant to this Resolution, shall bind The Regents to make any expenditure, incur any indebtedness, or proceed with any project, and all other University procedures and policies relating to the approval and financing of capital projects shall continue to apply.

Section 3. This Resolution shall take effect from and after its adoption.

**Instructions for Preparation of the
Declaration of Official Intent to Reimburse Advances for Capital Expenditures
from the Proceeds of Indebtedness**

Purpose: To comply with IRS regulations requiring a “declaration of official intent” when cash resources are used for capital expenses with the expectation they will be reimbursed from the proceeds of tax-exempt financing issued at a later date. These regulations were put in place due to abuses of entities using cash resources for projects, and later when cash flows were tight, would take advantage of their tax-exempt status and issue debt on projects that had already, in essence, been paid for.

The Forms

To Use:

1. The Declaration Form: This form must be used as found in this packet -- **no language may deviate from that shown**. It must be signed and dated, and have at least one Schedule A form attached.
2. The Schedule A form: This form lists projects and is dated and attached to a signed and dated Declaration form. The date on the Declaration and Schedule A form must match.

What to

Declare: Any project for which campus funds are to be advanced and which might be reimbursed from the proceeds of external financing--whether you expect the financing will be taxable or tax-exempt. This includes capital improvement projects as well as capital purchases (including building and/or equipment acquisition). This will also include any campus advances for projects ultimately funded by other entities, such as the Energy Efficiency Bond Program funded by State Public Works Board bonds. See attached Schedule A form for suggestions regarding project titles.

What NOT

to Declare: Any projects for which the University is NOT the party advancing funds. For instance, State PMIA loans for State-funded projects should not be declared by the campus. The agency advancing funds is responsible for filing the Declaration.

When to

Declare: The IRS Regulations state that the declaration for advanced funds must be approved (signed and filed) no later than 60 days after the expenditure of funds expected to be reimbursed. It is imperative that funds advanced for new capital expenditures be “declared” on a timely basis throughout the year as necessary to comply with reimbursement regulations.

*Consequences
of late, or no*

Declaration: Should the campus advance funds and fail to approve a Declaration in a timely manner, funds will not be eligible for reimbursement from tax-exempt debt. Specifically, funds spent more than 60 days prior to the Declaration’s approval will not qualify. The campus will have the responsibility of permanently funding the advance from cash resources, or if available, pursue taxable financing for that portion that does not qualify. You are asked to provide a copy of the signed and dated Declaration and Schedule A to Senior Finance Officer Randall Young in the Treasurer’s Office at the time it is approved.

**DECLARATION OF OFFICIAL INTENT
OF THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
TO REIMBURSE CERTAIN EXPENDITURES
FROM PROCEEDS OF TAXABLE OR TAX-EXEMPT INDEBTEDNESS**

WHEREAS, The Regents of the University of California ("The Regents") intends to build, construct, purchase or renovate the projects listed and described on the attached Schedule A (the "Projects");

WHEREAS, The Regents expects to finance all or some portion of the costs associated with the Projects through the issuance of interim and/or long term debt;

WHEREAS, The Regents expects to pay certain expenditures in connection with the Projects (the "Reimbursement Expenditures") prior to the issuance of indebtedness for the purpose of financing costs associated with the Projects on a long-term basis;

WHEREAS, The Regents reasonably expects that debt obligations will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures;

WHEREAS, by its Resolution dated July 19, 1991, The Regents has authorized its President, or its President's delegate, to declare the official intent of The Regents to reimburse expenditures from the proceeds of future taxable or tax-exempt debt obligations issued by The Regents; and

WHEREAS, by his letter dated _____, 1996, the President of The University of California has delegated to the campus Chancellors, Senior Vice President--Business and Finance, or the Vice President--Agriculture and Natural Resources the authority to declare such official intent of The Regents;

NOW, THEREFORE, on behalf of The Regents, the _____ (Chancellor, Senior Vice President--Business and Finance, or the Vice President--Agriculture and Natural Resources) makes the following findings, determinations and declarations:

Section 1. The _____ (Chancellor, Senior Vice President--Business and Finance, or the Vice President--Agriculture and Natural Resources) finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind The Regents to make any expenditures, incur any indebtedness, or proceed with any of the Projects.

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Section 3. The _____ (Chancellor, Senior Vice President--Business and Finance, or the Vice President--Agriculture and Natural Resources) hereby declares The Regents' official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This Declaration shall take effect from and after its adoption.

Date: _____

(Signature)

(Title: Chancellor, SVP--B&F or VP--ANR), University of California,

(Campus)

**SCHEDULE A
Declaration of Official Intent
of The Regents of the University of California
to Reimburse Certain Expenditures
from Proceeds of Indebtedness**

Project*

**Expected Total Costs to be
Paid From Indebtedness**

(Approval date)

* Instructions: Provide a general functional description of each Project (e.g., "five acres of unimproved land" or "a ten-floor office building") in enough detail so that it may be distinguished from other projects.