

APOYO DE LA GERENCIA

BONOS: PROCEDIMIENTOS DE CUMPLIMIENTO POSTERIOR A LA EMISIÓN DE BONOS EXENTOS DE IMPUESTOS

1. Objetivo. El propósito de estos procedimientos de cumplimiento posteriores a la emisión ("Cumplimiento Procedimientos") para bonos exentos de impuestos emitidos por el Distrito Escolar de Wenatchee No. 246, Condado de Chelan, Washington (el "Distrito"), para los cuales la exención de impuestos federales es proporcionada por el Código de Rentas Internas de 1986, según enmendado (el "Código"), es para garantizar que el Distrito cumpla con los requisitos del Código que deben cumplirse con respecto a dichos bonos u otras obligaciones (a veces denominados colectivamente en el presente como "bonos" o "bonos exentos de impuestos") después de la se emiten bonos.

2. Responsabilidad de Vigilar el Cumplimiento Tributario Post Emisión. La Junta Directiva de el Distrito (la "Junta") tiene la responsabilidad general y final de monitorear si el Distrito cumple con los requisitos tributarios federales posteriores a la emisión de los bonos exentos de impuestos del Distrito. Sin embargo, el Director Financiero del Distrito, o cualquier otro funcionario del Distrito que pueda en el futuro desempeñar las funciones de ese cargo, si corresponde (el "Director Financiero"), tendrá la responsabilidad operativa principal de monitorear el cumplimiento del Distrito con requisitos de impuestos federales posteriores a la emisión para el Dis
bonos del tricto.

3. Restricciones de rendimiento de arbitraje y requisitos de reembolso. El Director Financiero deberá mantener o hacer que se mantengan registros de:

(a) compras y ventas de inversiones realizadas con ingresos de bonos (incluidos los montos tratados como "ingresos brutos" de bonos según la sección 148 del Código) y recibos de ganancias de esas inversiones;

(b) gastos realizados con los ingresos de los bonos (incluidas las ganancias de inversiones sobre los ingresos de los bonos) en de manera oportuna y diligente para los propósitos gubernamentales de los bonos, tales como los costos de compra, construcción y/o renovación de propiedades e instalaciones;

(C) información que demuestre, cuando corresponda para un año calendario en particular, que el Distrito estaba elegible para ser tratado como un "pequeño emisor" con respecto a los bonos emitidos en ese año calendario porque el Distrito no esperaba razonablemente emitir más de (i) \$5,000,000 de bonos exentos de impuestos en ese año calendario o (ii) \$15,000,000, de la cual cualquier cantidad en exceso de \$5,000,000 será atribuible al financiamiento de gastos de capital realizados después del 31 de diciembre de 2001, para la construcción de instalaciones escolares públicas;

(d) cálculos que serán suficientes para demostrar al Servicio de Impuestos Internos ("IRS") tras una auditoría de una emisión de bonos que, cuando corresponda, el Distrito ha cumplido con una excepción de gasto disponible al requisito de reembolso de arbitraje con respecto a esa emisión de bonos;

(Es) cálculos que serán suficientes para demostrar al IRS en una auditoría de una emisión de bonos para lo cual no. era aplicable una excepción al requisito de reembolso de arbitraje, que el monto del reembolso, si lo hubiera, que era pagadero a los Estados Unidos de América con respecto a las inversiones realizadas con los ingresos brutos de esa emisión de bonos se calculó y pagó oportunamente con el Formulario 8038-T presentado oportunamente. con el IRS; y

(F) información y registros que demuestren que las inversiones mantenidas en anticipos de rendimiento restringido los depósitos en garantía de reembolso o cancelación de bonos y las inversiones realizadas con productos de bonos no gastados después del vencimiento del período temporal aplicable no se invirtieron en inversiones de mayor rendimiento.

4. Restricciones al uso empresarial privado y préstamos privados. El Director Financiero deberá adoptar otros procedimientos que estén calculados para educar e informar a los principales funcionarios operativos de esos departamentos, incluidos los departamentos de proyectos de capital y de instalaciones, si los hubiera, del Distrito (los "usuarios") para qué terrenos, edificios, instalaciones y equipos ("propiedades") se financian con ingresos de bonos exentos de impuestos sobre las restricciones al uso comercial privado que se aplican a esa propiedad después de que los bonos hayan sido

issued, and of the restriction on the use of proceeds of tax-exempt bonds to make or finance any loan to any person other than a state or local government unit.

In particular, following the issuance of bonds for the financing of property, the Chief Financial Officer shall provide to the users of the property a copy of these Compliance Procedures and other appropriate written guidance advising that:

(a) “private business use” means use by any person other than a state or local government unit, including business corporations, partnerships, limited liability companies, associations, nonprofit corporations, natural persons engaged in trade or business activity, and *the United States of America and any federal agency*, as a result of ownership of the property or use of the property under a lease, management or service contract (except for certain “qualified” management or service contracts), output contract for the purchase of electricity or water, privately sponsored research contract (except for certain “qualified” research contracts), “naming rights” contract, “public-private partnership” arrangement, or any similar use arrangement that provides special legal entitlements for the use of the bond-financed property;

(b) under section 141 of the Code, no more than 10% of the proceeds of any tax-exempt bond issue (including the property financed with the bonds) may be used for private business use, of which no more than 5% of the proceeds of the tax-exempt bond issue (including the property financed with the bonds) may be used for any “unrelated” private business use—that is, generally, a private business use that is not functionally related to the governmental purposes of the bonds; and no more than *the lesser* of \$5,000,000 or 5% of the proceeds of a tax-exempt bond issue may be used to make or finance a loan to any person other than a state or local government unit;

(c) before entering into any special use arrangement with a nongovernmental person that involves the use of bond-financed property, the user must consult with the Chief Financial Officer, provide the Chief Financial Officer with a description of the proposed nongovernmental use arrangement, and determine whether that use arrangement, if put into effect, will be consistent with the restrictions on private business use of the bond-financed property;

(d) in connection with the evaluation of any proposed nongovernmental use arrangement, the Chief Financial Officer should consult with nationally recognized bond counsel to the District as may be necessary to obtain federal tax advice on whether that use arrangement, if put into effect, will be consistent with the restrictions on private business use of the bond-financed property, and, if not, whether any “remedial action” permitted under Section 141 of the Code may be taken by the District as a means of enabling that use arrangement to be put into effect without adversely affecting the tax-exempt status of the bonds that financed the property; and

(e) the Chief Financial Officer and the user of the property shall maintain records of such nongovernmental uses, if any, of bond-financed property, including copies of the pertinent leases, contracts or other documentation, and the related determination that those nongovernmental uses are not inconsistent with the tax-exempt status of the bonds that financed the property.

5. Records to be Maintained for Tax-Exempt Bonds. It is the procedure of the District that, unless otherwise permitted by future IRS regulations or other guidance, written records (which may be in electronic form) will be maintained with respect to each bond issue for as long as those bonds remain outstanding, plus three years. For this purpose, the bonds include refunding bonds that refund the original bonds and thereby refinance the property that was financed by the original bonds.

The records to be maintained are to include:

(a) the official Transcript of Proceedings for the original issuance of the bonds;

- (b) records showing how the bond proceeds were invested, as described in 3(a) above;
- (c) records showing how the bond proceeds were spent, as described in 3(b) above, including purchase contracts, construction contracts, progress payment requests, invoices, cancelled checks, payment of bond issuance costs, and records of "allocations" of bond proceeds to make reimbursement for project expenditures made before the bonds were actually issued;
- (d) information, records and calculations showing that, with respect to each bond issue, the District was eligible for the "small issuer" exception or one of the spending exceptions to the arbitrage rebate requirement or, if not, that the rebate amount, if any, that was payable to the United States of America in respect of investments made with gross proceeds of that bond issue was calculated and timely paid with Form 8038-T timely filed with the IRS, as described in 3(c), (d) and (e) above; and
- (e) records showing that special use arrangements, if any, affecting bond-financed property made by the District with nongovernmental persons, if any, are consistent with applicable restrictions on private business use of property financed with proceeds of tax-exempt bonds and restrictions on the use of proceeds of tax-exempt bonds to make or finance loans to any person other than a state or local government unit, as described in 4 above.

The basic purpose of the foregoing record retention procedure for the District's tax-exempt bonds is to enable the District to readily demonstrate to the IRS upon an audit of any tax-exempt bond issue that the District has fully complied with all federal tax requirements that must be satisfied after the issue date of the bonds so that those bonds continue to be eligible for tax exemption under the Code.

6. Identification and Remediation of Potential Violations of Federal Tax Requirements for Tax-Exempt Bonds.

(a) So long as any of the District's tax-exempt bond issues remain outstanding, the Chief Financial Officer should periodically consult with the users of the District's bond-financed property to review and determine whether current use arrangements involving that property continue to comply with applicable federal tax requirements as described in these Compliance Procedures. This may be accomplished, for example, by periodically meeting with users, providing questionnaires to users about current use arrangements, or adopting other protocols reasonably calculated to ensure compliance with applicable federal tax requirements on a continuing basis. This periodic review may be scheduled, for example, at or before the times that the District is required to file with the Municipal Securities Rulemaking Board the annual financial information and operating data pursuant to the District's undertaking to provide continuing disclosure with respect to outstanding bonds.

(b) If at any time during the life of an issue of tax-exempt bonds, the District discovers that a violation of federal tax requirements applicable to that issue may have occurred, the Chief Financial Officer will consult with bond counsel to determine whether any such violation actually has occurred and, if so, take prompt action to accomplish an available remedial action under applicable IRS regulations or to enter into a closing agreement with the IRS under the Voluntary Closing Agreement Program described under Notice 2008-31 or other future published guidance.

7. Education Procedure With Respect to Federal Tax Requirements for Tax-Exempt Bonds.

It is the procedure of the District that the Chief Financial Officer and his or her staff, as well as the principal operating officials of those departments of the District for which property is financed with proceeds of tax-exempt bonds should be provided with education and training on federal tax requirements applicable to tax-exempt bonds. The District recognizes that such education and training is vital as a means of helping to ensure that the District remains in compliance with those federal tax requirements in respect of its bonds. The District therefore will enable and encourage, to the extent the District can afford to do so, those

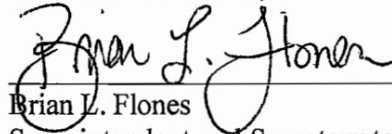
personnel to attend and participate in educational and training programs offered by, among others, the Washington Association of School Administrators, Washington State School Directors Association, and the Washington Association of School Business Officials with regard to the federal tax requirements applicable to tax-exempt bonds.

8. Responsibility for Continuing Disclosure Undertaking. Under the provisions of Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), underwriters are required to obtain an agreement for ongoing continuing disclosure in connection with the public offering of municipal securities. Unless the District is exempt from compliance with Rule 15c2-12 as a result of certain permitted exemptions, the District's responsibility to provide ongoing continuing disclosure to the municipal securities markets is set forth in the bond resolution or in a separate continuing disclosure agreement for each publicly sold issue of bonds (the "Continuing Disclosure Undertaking"). Each Continuing Disclosure Undertaking requires the District to provide to the municipal securities markets certain annual financial information and notices of certain listed events. The Chief Financial Officer shall monitor compliance by the District with each Continuing Disclosure Undertaking, shall maintain a file that includes a copy of each Continuing Disclosure Undertaking entered into by the District, shall ensure that the information required to be disclosed is disclosed in a timely fashion and shall cause any failure to make disclosure to be remedied in a timely fashion.

Legal reference: Resolutions of the Board, adopted and to be adopted, authorizing the issuance of tax-exempt bonds; Sections 103, 141, 148, 149, 150 and 265 of the Internal Revenue Code of 1986; Securities and Exchange Commission Rule 15c2-12; and Chapters 28A.335, 28A.530, 39.36, 39.46, 39.50 and 39.53 RCW.

Approved this 12th day of May, 2014.

WENATCHEE SCHOOL DISTRICT NO. 246
CHELAN COUNTY, WASHINGTON



Brian L. Fones

Superintendent and Secretary to the Board of Directors