

**RESOLUTION ESTABLISHING THE FRANK PHILLIPS COLLEGE'S
OFFICIAL INTENTION TO REIMBURSE ITSELF FOR THE PRIOR
LAWFUL EXPENDITURE OF FUNDS RELATING TO ACQUISITION,
CONSTRUCTION, IMPROVEMENT, RENOVATION AND
EQUIPMENT OF VARIOUS FRANK PHILLIPS COLLEGE
FACILITIES WITH PROCEEDS OF ONE OR MORE SERIES OF TAX-
EXEMPT OBLIGATIONS TO BE ISSUED BY THE FRANK PHILLIPS
COLLEGE FOR AUTHORIZED PURPOSES; AUTHORIZING OTHER
MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING
AN EFFECTIVE DATE**

WHEREAS, the Board of Regents (the *Board*) of Frank Phillips College (the *College*) has entered into or will enter into various contracts pertaining to the expenditure of lawfully available funds of the College to finance the costs associated with (i) designing, constructing, renovating, improving, upgrading, updating, acquiring, and equipping school facilities, (the *Construction Costs*), (ii) the payment of various engineering costs, including design testing, design engineering, and construction inspection related to the Construction Costs (the *Engineering Costs*), (iii) the payment of various architectural costs, including preparation of plans and specifications and various other plans and drawings related to the Construction Costs (the *Architectural Costs*), and (iv) the payment of various administrative costs, including the fees of bond counsel, financial advisor, project manager, project consultant, other professionals, and printer (the *Administrative Costs*) (the Construction Costs, Engineering Costs, Architectural Costs, and Administrative Costs collectively constitute costs of the project that are the subject of this Resolution (the *Project*)); and

WHEREAS, the total cost of the Project is estimated to be approximately \$10,000,000; and

WHEREAS, the provisions of Section 1201.042, as amended, Texas Government Code (*Section 1201.042*) provide that the proceeds from the sale of obligations issued to finance the acquisition, construction, equipping, or furnishing of any project or facilities, such as the Project, may be used to reimburse the College, for costs attributable to such project or facilities paid or incurred before the date of issuance of such obligations; and

WHEREAS, the United States Department of Treasury (the *Department*) released Regulation Section 1.150-2 (the *Regulations*) which establishes when the proceeds of obligations are spent and therefore are no longer subject to various federal income tax restrictions contained in the Internal Revenue Code of 1986, as amended (the *Code*); and

WHEREAS, the College intends to finance the Project with available financing resources, and reimburse itself for the expenditure thereof, with proceeds derived from a series of one or more bonds or other form of indebtedness issued as tax-exempt obligations (the *Obligations*); and

WHEREAS, as noted above, the College expects that it will pay after the date of passage of this Resolution, with available funds, expenditures in connection with the renovation

of, and improvements to, the Project prior to the issuance or delivery of the Obligations, but the College desires to reimburse itself for all or a portion of such expenditures with proceeds derived from the Obligations; and

WHEREAS, the Board of the College finds, considers, and declares that the reimbursement of the College for the payment of such expenditures with proceeds of the Obligations will be appropriate and consistent with the lawful objectives of the College, and, as such, chooses to declare its intention, in accordance with the provisions of the Regulations, to reimburse itself for such payments at such time as it receives proceeds from the Obligations issued or delivered to finance the Project;

THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF FRANK PHILLIPS COLLEGE THAT:

SECTION 1: This Resolution is a declaration of intent to establish the College's reasonably, official intent under the Regulations and Section 1201.042 expects to incur debt, as one or more series of the Obligations, with an aggregate maximum principal amount currently estimated not to exceed \$10,000,000, for the purpose of reimbursing the College for expenditures previously incurred (not more than 60 days prior to the date hereof) or to be incurred with respect to the Project from the lawfully-available funds or other funds of the College.

SECTION 2: The College intends to issue the Obligations and allocate within 30 days after the date of issuance of the Obligations the proceeds to reimburse the College for prior lawful expenditures with respect to the Project in a manner to comply with the Regulations.

SECTION 3. All costs to be reimbursed with proceeds of the Obligations will be capital expenditures within the meaning of Section 1.150-2 of the Treasury Regulations.

SECTION 4: The College intends to otherwise comply, in addition to those matters addressed within this Resolution, with all the requirements contained in the Regulations.

SECTION 5: This Resolution may be relied upon by the appropriate officials at the Office of the Attorney General for the State of Texas and establishes compliance by the College with the requirements of Texas law and the Regulations.

SECTION 6: With respect to the proceeds of the Obligations allocated to reimburse the College for prior expenditures, the College shall not employ an abusive device under Treasury Regulation Section 1.148-10, including using within one year of the reimbursement allocation, the funds corresponding to the proceeds of the Obligations in a manner that results in the creation of replacement proceeds, as defined in Treasury Regulation Section 1.148-1, of the Obligations or another issue of tax-exempt obligations or refundable tax credit obligations.

SECTION 7: The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Governing Body.

SECTION 8: All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 9: This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 10: If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Governing Body hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 11: It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 12: This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

[Signature Page Follows]

**ADOPTED AND APPROVED BY THE BOARD OF REGENTS OF FRANK
PHILLIPS COLLEGE THIS ____ DAY OF _____, 2025.**

By: _____
Chair, Board of Regents
Frank Phillips College

ATTEST:

By: _____
Secretary, Board of Regents
Frank Phillips College