

A RESOLUTION ESTABLISHING THE MAGNOLIA INDEPENDENT SCHOOL DISTRICT'S INTENTION TO REIMBURSE ITSELF FOR THE PRIOR LAWFUL EXPENDITURE OF FUNDS RELATING TO CONSTRUCTING AND EQUIPPING VARIOUS SCHOOL DISTRICT IMPROVEMENTS FROM THE PROCEEDS OF ONE OR MORE SERIES OF TAX-EXEMPT OBLIGATIONS TO BE ISSUED BY THE DISTRICT FOR AUTHORIZED PURPOSES; AUTHORIZING OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Board of Trustees (the *Governing Body*) of the Magnolia Independent School District (the *Issuer*) has entered into or will enter into various contracts pertaining to the expenditure of lawfully available funds of the Issuer to finance the costs associated with (i) designing, constructing, renovating, improving, upgrading, updating, acquiring, and equipping school facilities, such expenditures to be considered at an election on November 4, 2025 (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 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 Issuer, 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 Issuer intends to reimburse itself, within eighteen months from the later of the date of expenditure or the date the property financed is placed in service (but in no event more than three years after the original expenditures are paid), for the prior lawful capital expenditure of funds from the proceeds of one or more series of unlimited ad valorem tax-supported bonds issued as tax-exempt obligations (the *Obligations*) that the Issuer currently contemplates issuing in an amount not to exceed \$ _____ to finance a portion of the costs of the Project; and

WHEREAS, under the Regulations, to fund such reimbursement with proceeds of the Obligations, the Issuer must declare its expectation ultimately to make such reimbursement before making the expenditures; and

WHEREAS, the Issuer hereby finds and determines that the reimbursement for the prior expenditure of funds of the Issuer is not inconsistent with the Issuer's budgetary and financial circumstances; and

WHEREAS, the Governing Body hereby finds and determines that the adoption of this Resolution is in the best interests of the citizens of the Issuer; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MAGNOLIA INDEPENDENT SCHOOL DISTRICT THAT:

SECTION 1: This Resolution is a declaration of intent to establish the Issuer's reasonable, official intent under section 1.150-2 of the Regulations and Section 1201.042 to reimburse itself from certain of the proceeds of the Obligations for any capital 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 general funds or other funds of the Issuer.

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

SECTION 3: The reimbursed expenditure will be a type properly chargeable to a capital account (or would be so chargeable with a proper election) under general federal income tax principles.

SECTION 4: The Issuer 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 Issuer with the requirements of Texas law and the Regulations.

SECTION 6: With respect to the proceeds of the Obligations allocated to reimburse the Issuer for prior expenditures, the Issuer 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.

* * * *

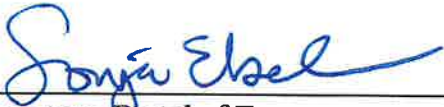
PASSED, ADOPTED AND APPROVED on this the 11 day of August, 2025.

MAGNOLIA INDEPENDENT SCHOOL
DISTRICT



President, Board of Trustees

ATTEST:



Secretary, Board of Trustees

(DISTRICT SEAL)

(Signature Page to Magnolia Independent School District Reimbursement Resolution)

PASSED, ADOPTED AND APPROVED on this the 11 day of August, 2025.

MAGNOLIA INDEPENDENT SCHOOL
DISTRICT



President, Board of Trustees

ATTEST:



Secretary, Board of Trustees

(DISTRICT SEAL)

(Signature Page to Magnolia Independent School District Reimbursement Resolution)

PASSED, ADOPTED AND APPROVED on this the 11 day of August, 2025.

MAGNOLIA INDEPENDENT SCHOOL
DISTRICT



President, Board of Trustees

ATTEST:



Secretary, Board of Trustees

(DISTRICT SEAL)

(Signature Page to Magnolia Independent School District Reimbursement Resolution)

CERTIFICATE OF BOARD SECRETARY

THE STATE OF TEXAS	§
	§
COUNTY OF MONTGOMERY	§
	§
MAGNOLIA INDEPENDENT SCHOOL	§
DISTRICT	§

THE UNDERSIGNED HEREBY CERTIFIES that:

On August 11, 2025, the Board of Trustees (the *Board*) of the Magnolia Independent School District (the *District*) convened in regular session at its regular meeting place in the District (the *Meeting*), the duly constituted members of the Board being as follows:

Gary Blizzard	President
Dacia Owens	Vice President
Sonja Ebel	Secretary
Stacia Norris	Assistant Secretary
Jay Michals	Trustee
David McCarty	Trustee
Jordan Blake	Trustee

and all of such persons were present at the Meeting, except the following: , thus constituting a quorum. Among other business considered at the Meeting, the attached Bond Election Order (the *Order*) entitled:

AN ORDER CALLING A BOND ELECTION TO BE HELD BY THE
MAGNOLIA INDEPENDENT SCHOOL DISTRICT, MAKING PROVISION
FOR THE CONDUCT OF A JOINT ELECTION, AND RESOLVING OTHER
MATTERS INCIDENT AND RELATED TO SUCH ELECTION

was introduced and submitted to the Board for passage and adoption. After presentation and discussion of the Order, a motion was made by Trustee J. Blake that the Order be finally passed and adopted. The motion was seconded by Trustee D. McCarty and carried by the following vote:

6 voted "For" 1 voted "Against" abstained

all as shown in the official Minutes of the Board for the Meeting.

The attached Order is a true and correct copy of the original on file in the official records of the District; the duly qualified and acting members of the Board on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Board was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Order would be considered; and the Meeting and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the Order, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the District, this 11 day of August, 2025.



Secretary, Board of Trustees
Magnolia Independent School District

(DISTRICT SEAL)

*Signature Page to Magnolia Independent School District
Certificate of Secretary to Bond Election Order*

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