

**CITY OF HUTCHINS, TEXAS
RESOLUTION NO. R2024-12-1228**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUTCHINS,
TEXAS DECLARING EXPECTATION TO REIMBURSE
EXPENDITURES WITH PROCEEDS OF FUTURE DEBT.**

WHEREAS, the City Council of the City of Hutchins (the “City”) desires to finance the costs of acquiring, constructing, reconstruction and/or equipping certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (the “Project”);

WHEREAS, the City intends to finance the acquisition, construction, reconstruction and/or equipping of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the “Obligations”); and

WHEREAS, prior to the issuance of the Obligations the City desires to incur certain capital expenditures (the “Expenditures”) with respect to the Project from available moneys of the City;

WHEREAS, the City Council has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the City for the Expenditures from the proceeds of the Obligations; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HUTCHINS DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The City hereby states its intention and reasonably expects to reimburse costs of the Project incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes the general character, type, purpose, and function of the Project.

SECTION 2. The reasonably expected maximum principal amount of the Obligations is \$28,000,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the City will expend moneys for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

SECTION 4. The City will make a reimbursement allocation, which is a written allocation that evidences the City's use of proceeds of the Obligations to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid.

SECTION 5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next

succeeding one year period on any tax-exempt obligation of the City (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the City or any entity related in any manner to the City, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

SECTION 6. This resolution is adopted as official action of the City in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of City expenditures incurred prior to the date of issue of the Obligations.

SECTION 7. All the recitals in this Resolution are true and correct and this City Council so finds, determines and represents.

PASSED AND APPROVED this the 9th day of December 2024.

CITY OF HUTCHINS, TEXAS

Mario Vasquez, Mayor

ATTEST:

Cynthia Olguin, City Secretary

EXHIBIT A

The City of Hutchins plans to construct a 37,250 square foot Recreation Center and Library that will offer a wide range of recreational and educational opportunities for residents of all ages. The total cost is expected to be \$28,000,000, including \$24,000,000 for the Recreation Center and Library Building and \$4,000,000 for architectural fees, furniture, fixtures, equipment and other costs associated therewith.