

**RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF INTENTION  
TO ISSUE CERTIFICATES OF OBLIGATION**

WHEREAS, the City Council (the "Council") of the City of Combes, Texas (the "City"), finds that financing the design, planning, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of the public property, as well as the payment of fees for professional services related thereto, described in Exhibit A hereto would be beneficial to the inhabitants of the City, and such property is needed to perform essential governmental functions; and the Council has determined that one or more series of certificates of obligation (the "Certificates of Obligation") should be issued pursuant to the provisions of the Certificate of Obligation Act of 1971, Section 271.041 *et seq.*, Texas Local Government Code, for such purposes;

WHEREAS, prior to the issuance of the Certificates of Obligation, the City is required to publish notice of its intention to issue the Certificates of Obligation in a newspaper of general circulation in the City, the notice stating (i) the time and place the Council tentatively proposes to pass the ordinance authorizing the issuance of the Certificates of Obligation, (ii) the maximum amount of Certificates of Obligation proposed to be issued, (iii) the purposes for which the Certificates of Obligation are to be issued, and (iv) the manner in which the Council proposes to pay the Certificates of Obligation;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COMBES, TEXAS, THAT:

**Section 1.** Attached hereto and marked Exhibit A is the "Notice of Intention to Issue Certificates of Obligation" (the "Notice"), the form and substance of which are hereby adopted and approved.

**Section 2.** Attached hereto and marked Exhibit B is a list of debt obligations of the City which the City designates as self-supporting debt for purposes of Subchapter C of Chapter 271, Texas Local Government Code, as amended.

**Section 3.** The Mayor or the City Secretary shall cause the Notice to be published in a newspaper, as defined in Section 2051.044, Texas Government Code, of general circulation in the City for two consecutive weeks, the date of first publication to be at least 45 days prior to the date tentatively set for adoption of one or more ordinances authorizing the issuance of the Certificates of Obligation.

**Section 4.** The Mayor and the City Secretary are hereby authorized and directed to execute the Certificate to which this Resolution is attached on behalf of the Council and to do any or all things proper and necessary to carry out the intent thereof.

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**EXHIBIT A**

**NOTICE OF INTENTION TO ISSUE  
CERTIFICATES OF OBLIGATION**

NOTICE is hereby given that it is the intention of the City Council (the “Council”) of the City of Combes, Texas (the “City”) to adopt an ordinance providing for the issuance of one or more interest-bearing obligations of the City presently contemplated to be designated and known as the “CITY OF COMBES, TEXAS CERTIFICATES OF OBLIGATION” (the “Certificates of Obligation”) for the purpose of providing for the payment of contractual obligations to be incurred in connection with the design, planning, purchasing, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property, including (i) water and sewer system improvements including water lines, lift stations, meters and related technology; (ii) City street improvements; (iii) drainage improvements and related infrastructure; (iv) City Hall improvements and signage; (v) land acquisition for parks; (vi) park improvements, including parking, trails and recreational facilities; and (vii) payment of contractual obligations for professional services in connection therewith (to wit: consulting, engineering, financial advisory, and legal).

The Council tentatively proposes to authorize the issuance of the Certificates of Obligation at its regular meeting place at City Hall, Combes, Texas, at a meeting of the Council to be commenced at 7:00 p.m. on June 14, 2021, in a maximum total amount expected not to exceed \$5,000,000. In the event the Council will be unable to meet at this location on June 14, 2021, the City will post information on its website for attending the meeting by telephone, teleconference, or other electronic means. The Council proposes to provide for payment of the Certificates of Obligation from a pledge of an annual ad valorem tax, as well as a limited pledge of \$1,000 of the City’s water and wastewater system. The Council reasonably expects to provide for payment of debt service on the Certificates of Obligation from net revenues of the City’s water and wastewater system, but in the event such self-supporting source of revenues is inadequate for such purpose, the City will be obligated to levy an annual ad valorem tax to pay debt service due on the Certificates of Obligation.

In accordance with the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended (“Chapter 271”), the following information has been provided by the City (excludes \$0.00 principal amount of outstanding debt obligations the City has designated as self-supporting and which the City reasonably expects to pay from revenue sources other than ad valorem taxes; provided, however, that in the event such self-supporting revenues sources are insufficient to pay debt service, the City is obligated to levy ad valorem taxes to pay such debt obligations): The current principal of all outstanding debt obligations of the City is \$1,210,000.00, the combined principal and interest required to pay all currently outstanding debt obligations of the City on time and in full is \$1,359,088.75, the estimated combined principal and interest required to pay the Certificates of Obligation on time and in full is \$7,000,000.00, the estimated interest rate for the Certificates of Obligation is 4.00%, and the maximum maturity date of the Certificates of Obligation will not exceed the maximum allowed by law. Market conditions affecting interest rates vary based on a number of factors beyond the control of the City, and the City cannot and does not guarantee a particular interest rate associated with one or more series of the Certificates of Obligation. The resolution designating certain outstanding debt obligations of the City as self-supporting for purposes of Chapter 271 is available upon request sent to the City at the address noted above.

/s/ Marco Sanchez  
Mayor, City of Combes, Texas

**EXHIBIT B**

**SELF-SUPPORTING DEBT OBLIGATIONS OF THE CITY**

The Certificates	<u>\$2,161,500*</u>
TOTAL	<u>\$2,161,500</u>

\*Denotes par amount that is self-supporting