

**CITY OF COMMERCE, TEXAS
NOTICE OF INTENTION TO ISSUE
CERTIFICATES OF OBLIGATION**

NOTICE IS HEREBY GIVEN that the City Council of the City of Commerce, Texas, at its meeting to commence at 6:00 P.M. on February 16, 2021, at the City Council Chamber at City Hall, 1119 Alamo Street, Commerce, Texas, tentatively proposes to adopt one or more ordinances authorizing the issuance of interest bearing certificates of obligation, in one or more series, in an amount not to exceed \$3,750,000 for paying all or a portion of the City's contractual obligations incurred in connection with: (i) constructing, improving, extending, expanding, upgrading the City's water and sewer system (the "System"), including, making repairs to the City's water treatment plant, (ii) reconstruction and rehabilitation of existing streets in the City, including any required utility relocations, landscaping, sidewalks, traffic safety and operational improvements, drainage and other costs related thereto, (iii) the acquisition and installation of public safety equipment for the police and fire departments, including the purchase of equipment for public safety vehicles, and repairs to existing fire stations and (iv) paying legal, fiscal, engineering and architectural fees in connection with these projects. The City proposes to provide for the payment of such certificates of obligation from the levy and collection of ad valorem taxes in the City as provided by law and from a pledge of surplus revenues of the System that remain after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or any part of the net revenues of the System. The certificates of obligation are to be issued, and this notice is given, under and pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271, as amended.

In accordance with the provisions of Texas Local Government Code, Subchapter C of Chapter 271, as amended ("Chapter 271"), the following information has been provided by the City: (i) the principal amount of all outstanding debt obligations of the City is \$7,499,881; (ii) the current combined principal and interest required to pay all outstanding debt obligations of the City on time and in full is \$9,835,236 (clauses (i) and (ii) exclude debt service for \$6,196,000 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 revenue sources are insufficient to pay debt service, the City is obligated to levy ad valorem taxes to pay such debt obligations); (iii) the maximum principal amount of the certificates of obligation to be authorized is \$3,750,000; (iv) the estimated combined principal and interest required to pay the certificates of obligation to be authorized on time and in full is \$4,715,117; (v) the maximum interest rate for the certificates may not exceed the maximum legal interest rate; and (vi) the maximum maturity date of the certificates of obligation to be authorized is February 15, 2040.

CITY OF COMMERCE, TEXAS