

**ORDINANCE AMENDING ORDINANCE AUTHORIZING THE ISSUANCE
OF CERTIFICATES OF OBLIGATION**

**THE STATE OF TEXAS
COUNTY OF HUNT
CITY OF COMMERCE**

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WHEREAS, the City Council of the City of Commerce, Texas (the "Issuer") has heretofore, on November 21, 2002, adopted a resolution (the "Intent Resolution") authorizing and directing the City Secretary to give notice of intention to issue City of Commerce Combination Tax and Revenue Certificates of Obligation in the maximum principal amount of \$3,200,000 for paying all or a portion of the Issuer's contractual obligations relating to the financing, acquisition, construction and equipment of certain public improvements for the Issuer, to wit: (a) the purchase of all assets of the Commerce Water District other than its contract rights to purchase water from the Sabine River Authority of Texas, including a water treatment plant, approximately 24 miles of water transmission lines, a pump station and related water storage facilities; (b) the construction of improvements to the water treatment plant; (c) the relocation of water and sewer lines to accommodate street construction in the Issuer; (d) the construction of improvements to the Issuer's waste water treatment plant; and (e) the payment of legal, fiscal and engineering fees in connection with these projects (the "Intended Projects"); and

WHEREAS, the City Secretary caused the notice of intent (the "Initial Notice") to be published as directed, but the published Initial Notice inadvertently and incorrectly failed to include two intended projects, to wit: the projects described in clauses (c) and (d) of the preceding paragraph (the "Inadvertently Omitted Projects") that had been set forth in the Intent Resolution; and

WHEREAS, on December 20, 2002, in accordance with the Intent Resolution and the Initial Notice, the City Council adopted an ordinance (the "Original Ordinance") authorizing the issuance of \$2,975,000 in principal amount of the Issuer's Combination Tax and Revenue Certificates of Obligation, Series 2003 (the "Certificates"); and

WHEREAS, the Original Ordinance provided for the funding of all of the Intended Projects, with the exception of the Inadvertently Omitted Projects, and directed that a further notice (the "Amendatory Notice") be published in accordance with the provisions of Subchapter C of Chapter 271, Local Government Code (the "CO Act"), which Amendatory Notice provided that the City Council intended to meet on January 7, 2003 for the purpose of considering the adoption of this amendatory ordinance for the purpose of authorizing the use of the proceeds of the Certificates for all of the Intended Projects; and

WHEREAS, the Amendatory Notice, has been duly published in a newspaper of general circulation in the Issuer, said newspaper being a "newspaper" as defined in §2051.044, Texas Government Code; and

WHEREAS, the Issuer has received no petition from the qualified electors of the Issuer protesting the issuance of the Certificates or the use of the proceeds for any of the projects described in the Initial Notice or the Amendatory Notice; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; and

WHEREAS, it is considered to be to the best interest of the Issuer that the Original Ordinance be amended as provided herein.

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COMMERCE:

Section 1. All recitals, findings and definitions contained in the preambles hereof are found to be true and correct and are made a part hereof for all purposes.

Section 2. Section 1 of the Original Ordinance is hereby amended to read as follows:

"Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Certificates of the Issuer are hereby authorized to be issued and delivered in the aggregate principal amount of \$2,975,000 for paying all or a portion of the Issuer's contractual obligations relating to the financing, acquisition, construction and equipment of certain public improvements for the Issuer, to wit: (a) the purchase of all assets of the Commerce Water District other than its contract rights to purchase water from the Sabine River Authority of Texas, including a water treatment plant, approximately 24 miles of water transmission lines, a pump station and related water storage facilities; (b) the construction of improvements to the water treatment plant; (c) the relocation of water and sewer lines to accommodate street construction in the Issuer; (d) the construction of improvements to the Issuer's waste water treatment plant; and (e) the payment of legal, fiscal and engineering fees in connection with these projects (the "Project")."

Section 3. The fifth paragraph of the Form of Certificate in Section 4 of the Original Ordinance is hereby amended to read as follows:

"THIS CERTIFICATE is one of a series of Certificates dated December 15, 2002, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$2,975,000 for paying all or a portion of the Issuer's contractual obligations relating to the financing, acquisition, construction and equipment of certain public improvements for the Issuer, to wit: (a) the purchase of all assets of the Commerce Water District other than its contract rights to purchase water from the Sabine River Authority of Texas, including a water treatment plant, approximately 24 miles of water transmission lines, a pump station and related water storage facilities; (b) the construction of improvements to the water treatment plant; (c) the relocation of water and sewer lines to accommodate street construction in the Issuer; (d) the construction of improvements to the Issuer's waste water treatment plant; and (e) the payment of legal, fiscal and engineering fees in connection with these projects."

Section 4. That except as hereby modified, all of the provisions of the Original Ordinance are hereby ratified and confirmed.

CERTIFICATE FOR ORDINANCE

**THE STATE OF TEXAS
COUNTY OF HUNT
CITY OF COMMERCE**

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We, the undersigned officers of said City, hereby certify as follows:

1. The City Council of said City convened in REGULAR MEETING ON THE 7TH DAY OF JANUARY, 2003, at the designated meeting place, and the roll was called of the duly constituted officers and members of said City Council, to wit:

Sheryl Zelhart, Mayor
Penny Belcher, Mayor Pro Tem
Lana Biggerstaff Adams,
Hector Arce
Barbara Tutt

Marty Cunningham, City Secretary

and all of said persons were present except Barbara Tutt, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

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was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said Ordinance be adopted and, after due discussion, said motion, carrying with it the adoption of said Ordinance, prevailed with all members of the Council shown above as being present voting "Aye," except as set forth below:

ABSTAIN: _____

NO: _____

2. A true, full and correct copy of the aforesaid Ordinance adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Ordinance has been duly recorded in said City Council's minutes of said Meeting; the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said Meeting pertaining to the adoption of said Ordinance; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Ordinance would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose; said Meeting was open to the public; and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

3. The Mayor (or MayorPro-tem) of said City has approved and hereby approves the aforesaid Ordinance; and the Mayor (or MayorPro-tem) and the City Secretary (or Assistant City Secretary) of said City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED the 7th day of January, 2003.

Marty Cunningham
City Secretary

Sheriff Zelhart
Mayor

(SEAL)