

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF IOWA COLONY, TEXAS
AUTHORIZING THE CITY TO EXECUTE A PROMISSORY NOTE
PAYABLE TO FIRST SECURITY FINANCE, INCORPORATED
FOR THE FINANCING OF WATER METERS; AND APPROVING
CERTAIN OTHER DOCUMENTS AND ACTIONS IN
CONNECTION THEREWITH**

WHEREAS, the City of Iowa Colony, Texas (“City”) proposes to execute a promissory note (the “Note”), payable to First Security Finance, Inc. (“Lender”) to enable the City (1) to finance water meters, (2) to fund capitalized interest and (3) to pay costs of issuing the Note, in the maximum principal amount of \$2,157,855.25 and as security for the payment of the principal of and interest thereon, the City has agreed to pledge its ad valorem tax revenues;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF IOWA COLONY, TEXAS:**

SECTION 1. The City Council agrees that it is appropriate for the officers of the City to execute the Note for the purposes described above, in the maximum principal amount of \$2,157,855.25 and at an interest rate of 4.85%, subject to adjustment upon a Determination of Taxability as provided in the Note, and, in order to secure the principal of and interest on the Note, to pledge its ad valorem tax revenues. During the term of the Note, the City covenants that prior to adopting a budget for any ensuing fiscal year the City shall place in its proposed budget for such ensuing fiscal year an amount necessary to pay all amounts payable under the Note for such ensuing fiscal year and that the final budget for each fiscal year shall set aside and appropriate out of revenues generated from the City’s tax revenues and other revenues and funds lawfully available therefor an amount sufficient to pay all amounts payable under the Note. The City shall levy and agrees to assess and collect, a continuing direct annual limited tax on all taxable property within the boundaries of the City, within the limitations prescribed by law, at a rate from year to year sufficient, together with such other revenues and funds lawfully available to the City for the payment of all amounts payable under the Note, full allowance being made for delinquencies and costs of collection.

SECTION 2. Any one or more of the Authorized Officers of the City listed in Section 3 below is hereby authorized to execute, acknowledge, and deliver in the name and on behalf of the City to the Lender the Note, including all attachments and exhibits thereto; and the Note shall be in substantially the form presented at this meeting with such changes as the signing officer shall determine to be advisable. Further, said Authorized Officers are authorized to execute, acknowledge, and deliver in the name and on behalf of the City any other agreement, instrument, certificate, representation, and document, and to take any other action as may be advisable, convenient, or necessary to enter into the Note, and the execution thereof by any such Authorized Officer shall be conclusive as to such determination.

SECTION 3. For the purpose of this resolution, any one of the City Manager, Mayor or Mayor Pro Tem are “Authorized Officers” duly authorized to enter into the transaction and execute documents contemplated by this resolution in the name and on behalf of the City.

SECTION 4. This resolution will take effect and be in full force from and after its adoption by the City Council of the City.

SECTION 5. That it is hereby officially found and determined that this meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by the Open Meetings Act, Chapter 551, Texas Government Code.

PASSED AND APPROVED ON THIS 9th DAY OF SEPTEMBER 2024.

CITY OF IOWA COLONY

Wil Kennedy, Mayor

ATTEST:

Kayleen Rosser, City Secretary