

**RESOLUTION NO 2025-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS RESTRICTING THE USE OF PROCEEDS OF BONDS ISSUED TO FINANCE PUBLIC IMPROVEMENTS IN THE SONOMA PUBLIC IMPROVEMENT DISTRICT; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, this City Council (the "Council") has adopted a resolution authorizing the creation of the Sonoma Public Improvement District (the "District"); and

**WHEREAS**, the City of McLendon-Chisholm, Texas (the "City") has previously issued tax-exempt bonds (the "PID Bonds") to finance certain authorized improvements (the "PID Improvements") that benefit property located in the District; and

**WHEREAS**, the developer of the District has contributed funds (the "Developer Contribution") to finance certain of the PID Improvements; and

**WHEREAS**, the PID Improvements consist of road improvements, water improvements, sanitary sewer improvements and storm drainage improvements; and

**WHEREAS**, this Council finds and determines that it is necessary and in the best interests of the City to restrict the use of PID Bond proceeds to road improvements, sanitary sewer improvements, storm drainage improvements and Bond Issuance Costs (defined below);

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS:**

Section 1. The City hereby directs that PID Bond proceeds shall be used solely for (i) road improvements, (ii) sanitary sewer improvements, (iii) storm drainage improvements and (iv) Bond Issuance Costs. "Bond Issuance Costs" means the costs associated with issuing PID Bonds, including but not limited to financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter's discount, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of any series of PID Bonds.

Section 2. The City hereby directs that the water improvements in the District shall be paid solely from the Developer Contribution, and that no City funds or PID Bond proceeds shall be used to finance any such water improvements.

Section 3. This Resolution shall be effective immediately upon its adoption.

PASSED, APPROVED AND EFFECTIVE this September 23, 2025.

THE CITY OF MCLENDON-CHISHOLM

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Mayor

ATTEST:

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City Secretary

APPROVED AS TO FORM:

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Michael Halla, City Attorney