

City of Fulshear

STATEMENT ON COURT RULING OF JANUARY 17, 2017

FOR IMMEDIATE RELEASE

This morning the 250th District Court in Austin heard the City's 1205 Suit regarding its ability to issue Certificates of Obligation. The City was represented by: the Mayor; City Manager; its Financial Advisor; two attorneys from the Winstead Firm; and the City Attorney. The State was represented by two attorneys from the Attorney General's Office. The MUDs and their partner Developers had five attorneys in attendance at the hearing.

The Court heard testimony from the City Manager and accepted into evidence several items, including the Ordinance approving the Certificates of Obligation, which detail the Certificates' compliance with State Law. The Attorney General's Office and MUDs/Developer attorneys offered no objection to the issuance.

The MUDs and Developer attorneys did request certain language be included in the Final Judgment. The portions of that language which the City did not agree with were struck by the Judge. The Court indicated that the Final Judgment should be signed by this afternoon and the City will post as soon as practicable.

This decision clears the way for the City to issue up to \$6.5 Million in Certificates of Obligation for use in mobility and other projects, which will benefit Fulshear as a whole, not just one section, one neighborhood or peer group. The MUDs' representatives did inquire as to the City's willingness to continue discussions about modification to the Utility Agreements and the City welcomes continuing those discussions.

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