

NOTICE OF INTENTION TO ISSUE
CITY OF PEARSALL, TEXAS CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Pearsall, Texas (the "City") will convene at its regular meeting place at the Pearsall City Hall Council Chambers, 214 South Ash Street, in Pearsall, Texas at 6:00 o'clock p.m., Pearsall, Texas time on July 31, 2023, and, during such meeting, the City Council will consider the passage of an ordinance and take such other actions as may be deemed necessary to authorize the issuance of one or more series of certificates of obligation in an aggregate principal amount not to exceed \$800,000 for the purpose or purposes of paying contractual obligations of the City to be incurred for making permanent and public improvements for other public purposes, to-wit:

(1) purchase of land and building, and other amenities incident thereof, (2) improvements to such land and building, as needed to facilitate its use by the City, and (3) the payment of professional services related to the construction, design, engineering, and financing of the aforementioned projects.

The certificates of obligation (the "Certificates") will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the City and from a lien on and limited pledge of net revenues derived by the City from the operation of the City's Water and Wastewater System. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971 as amended, Local Government Code Section 271.041 through Section 271.063, and Chapter 1502, as amended, Texas Government Code. The current principal of all outstanding debt obligations of the City is \$8,963,750. The combined principal and interest required to pay all outstanding debt obligations of the City on time and in full is \$10,162,728.18. The estimated combined principal and interest required to pay the Certificates is \$1,127,109. The estimated interest rate for the Certificates is 6.50%. The maximum interest rate for the Certificates may not exceed the maximum legal interest rate. The maximum maturity date of the Certificates is March 1, 2038.