

## **NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION**

NOTICE IS HEREBY GIVEN that the City Council of the City of Groves, Texas (the "City"), will meet in the Groves City Hall, 3947 Lincoln Avenue, Groves, Texas, at 5:00 p.m., on the 23rd day of November, 2020, which is the time and place tentatively set for the passage of an ordinance and to take such other action as may be deemed necessary to authorize the issuance of the City's Tax and Revenue Certificates of Obligation, Series 2020, in the maximum aggregate principal amount not to exceed \$9,000,000 (the "Certificates"), payable from the levy of a direct and continuing ad valorem tax against all taxable property with the City sufficient to pay the interest on this series of Certificates as due and to provide for the payment of the principal thereof as the same matures, as authorized by Chapter 271, Subchapter C, Texas Local Government Code, as amended, and also payable from a subordinate lien and limited pledge of certain surplus net revenues of the City's water and sewer system not to exceed \$1,000, bearing interest at a rate or rates, not in excess of that prescribed by law, and maturing over a period of years not to exceed forty (40) years from the date thereof, as shall be determined within the discretion of the City Council of the City at the time of issuance of the Certificates, for the purpose of evidencing the indebtedness of the City to finance all or any part of the cost of designing, constructing, improvement, equipping and furnishing a new City Fire Station, and to pay the cost of issuance of such obligations and professional services incurred in connection therewith. The fire station will be located on land owned by the City located at 5911 W. Washington Blvd., Groves, Texas. In accordance with Texas Local Government Code Section 271.049, (i) the current principal amount of all of the City's outstanding debt obligations secured by and payable from ad valorem taxes is \$4,495,000.00, (ii) the current combined principal and interest required to pay all of the City's outstanding debt obligations secured by and payable from ad valorem taxes on time and in full is \$5,091,657.00, (iii) the estimated combined principal and interest required to pay the Certificates to be authorized on time and in full is \$12,281,740.83, (iv) the maximum interest rate for the Certificates may not exceed the maximum legal rate of interest; and (v) the maximum maturity date of the Certificates to be authorized is September 1, 2060. The estimated combined principal and interest required to pay the Certificates to be authorized stated above is provided for illustrative purposes only, and is based on an assumed interest rate of 4.00% for Certificates maturing in the years prior to 2031 and 3.00% for Certificates maturing in the years 2031 and later. Market conditions affecting interest rates vary based on a number of factors beyond the control of the City, and the City cannot and does not guarantee a particular interest rate associated with the Certificates. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of Texas Local Government Code sections 271.041 through 271.064.

**WITNESS MY HAND AND THE OFFICIAL SEAL OF THE CITY**, this 28th day of September, 2020.

**/s/Brad P. Bailey, Mayor, CITY OF GROVES, TEXAS**