

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 9th day of March, 2026, 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 Certificates of Obligation, Series 2026, in the maximum aggregate principal amount not to exceed \$26,000,000 (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 contractual obligations to be incurred for the purpose of (1) the construction of public works, more specifically, the construction of road and street improvements, improvements to the City's water system and wastewater treatment system, including acquisition and installation of automatic water meters and rehabilitation, sewer line bottleneck repairs and improvements and upgrades to the City's wastewater treatment plant, improvements to the City's parks and park facilities, and any items related thereto, and (2) payment of the professional services incurred in connection therewith (the "Project").

In accordance with Texas Local Government Code Section 271.049, (A) the current principal amount of all of the City's outstanding debt obligations secured by and payable from ad valorem taxes is \$9,360,000, (B) 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 \$11,546,319, (C) the maximum principal amount of the Certificates to be authorized is \$26,000,000, (D) the estimated combined principal and interest required to pay the Certificates to be authorized on time and in full is \$41,365,000, (E) the maximum interest rate for the Certificates may not exceed the maximum legal rate of interest; and (F) the maximum maturity date of the Certificates to be authorized is March 1, 2065. 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 5.00%. 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.

The resolution designating certain outstanding debt obligations of the City as self-supporting for purposes of Chapter 271 is available upon request to the City at the address noted above.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE CITY, this 12th day of January, 2026.

/s/ Chris Borne, Mayor
CITY OF GROVES, TEXAS