

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE is hereby given that it is the intention of the City Council of the City of Peñitas, Texas (the “City”) to adopt one or more ordinances providing for the issuance of one or more series of interest-bearing Certificates of Obligation of the City to be designated and known as the “CITY OF PEÑITAS, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2025” (the “Certificates”) for the purpose of providing for the payment of contractual obligations to be incurred for the design, planning, acquisition, equipping, construction, and renovation of public property, and designated infrastructure and for other public purposes specifically being (i) wastewater system improvements; (ii) City streets; (iii) drainage improvements; and (iv) the payment of contractual obligations for professional services in connection with such projects (including, but not limited to, financial advisory, legal, architectural, and engineering). The City Council tentatively proposes to authorize the issuance of the Certificates at its regular meeting place at the City of Peñitas Library, 1111 South Main Street, Peñitas, Texas, at a Regular Meeting of the City Council to be commenced at 6:00 p.m., on the 15th day of January, 2025, in an amount not to exceed \$9,215,000. The City Council proposes to provide for payment of the Certificates from a pledge of an annual ad valorem tax, as well as a limited pledge of the net revenues of the City’s Sewer System. The Certificates are to be issued, and this notice is given, pursuant to Section 271.041, *et seq.*, Texas Local Government Code.

In accordance with the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended (“Chapter 271”), the following information has been provided by the City. The current principal of all outstanding debt obligations of the City is \$5,596,775, the combined principal and interest required to pay all currently outstanding debt obligations of the City on time and in full is \$8,544,183, the estimated combined principal and interest required to pay the Certificates on time and in full is \$20,623,954, the estimated interest rate for the Certificates is 6.25% and the maximum maturity date of the Certificates will not exceed the maximum allowed by law. 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.

/s/ Ramiro Loya
Mayor, City of Peñitas, Texas