

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

NOTICE is hereby given that it is the intention of the City Commission (the "City Commission") of the City of Kingsville, Texas (the "City") to adopt one or more ordinances providing for the issuance of one or more interest-bearing obligations of the City presently contemplated to be designated and known as the "CITY OF KINGSVILLE, TEXAS CERTIFICATES OF OBLIGATION" (the "Certificates of Obligation") for the purpose of providing for the payment of contractual obligations to be incurred in connection with the design, planning, purchasing, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property, including (i) improvements to the water and sewer system including water meters and related technology; and (ii) payment of contractual obligations for professional services in connection therewith (to wit: consulting, engineering, financial advisory, and legal).

The City Commission tentatively proposes to authorize the issuance of the Certificates of Obligation (one or more series) at its regular meeting place at 400 West King Avenue, Kingsville, Texas, at a meeting of the City Commission to be commenced at 5:00 p.m. on May 8, 2023, in a maximum total amount expected not to exceed \$6,500,000. In the event the City Commission will be unable to meet at this location on May 8, 2023, the City will post information on its website for attending the meeting by telephone, teleconference, or other electronic means. The City Commission proposes to provide for payment of the Certificates of Obligation from a pledge of an annual ad valorem tax, as well as a subordinate lien pledge of the net revenues of the City's waterworks and sewer system. The City Commission reasonably expects to provide for payment of debt service on the Certificates of Obligation from a subordinate lien pledge of the net revenues of the City's waterworks and sewer system, but in the event such self-supporting source of revenues is inadequate for such purpose, the City will be obligated to levy an annual ad valorem tax to pay debt service due on the Certificates of Obligation. The Ordinance in which the City makes a self-supporting designation is available upon request.

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 (excludes \$12,726,839 principal amount of outstanding debt obligations the City has designated as self-supporting and which the City reasonably expects to pay from revenue sources other than ad valorem taxes; provided, however, that in the event such self-supporting revenues sources are insufficient to pay debt service, the City is obligated to levy ad valorem taxes to pay such debt obligations): The current principal of all outstanding debt obligations of the City is \$20,241,000, the combined principal and interest required to pay all currently outstanding debt obligations of the City on time and in full is \$8,392,623, the estimated combined principal and interest required to pay the Certificates of Obligation on time and in full is \$22,365,763, the estimated interest rate for the Certificates of Obligation is 4.25%, and the maximum maturity date of the Certificates of Obligation 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 one or more series of the Certificates of Obligation. The resolution designating certain outstanding debt obligations of the City as self-supporting for purposes of Chapter 271 is available upon request sent to the City at the address noted above.

/s/ Sam Fugate  
Mayor, City of Kingsville, Texas

Posted: March 14, 2023