

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of San Marcos, Texas (the "City"), at its meeting to commence at 6:00 P.M. on May 5, 2020 (the "meeting"), at its regular meeting place in the City Hall, 630 East Hopkins, San Marcos, Texas, tentatively proposes to authorize the issuance of one or more series of interest bearing certificates of obligation of the City, in the total aggregate principal amount not to exceed \$50,500,000, for the public purpose of paying contractual obligations incurred or to be incurred for constructing, improving, designing, acquiring and equipping the City's (1) water and waste water system; (2) electric utility system; (3) streets including related drainage, sidewalks, traffic improvements and lighting; (4) municipal buildings to include the city hall and other city facilities, HVAC improvements, roof replacements and security improvements; (5) stormwater management and flood control facilities; (6) airport, including hangars; (7) public safety facilities to include police and fire station improvements and a new ladder truck and engine; (8) network and fiber optic infrastructure equipment; (9) recreational facilities including parks and sports fields; (10) cemetery including land acquisition; (11) animal shelter; (12) parking including land acquisition; and (13) the payment of professional services in connection therewith including legal, fiscal and engineering fees and the costs of issuing the certificates of obligation and other matters related thereto.

The City Council tentatively proposed to authorize the issuance of the Certificates at its regular meeting on the 5th day of May, 2020, however at the May 5, 2020 meeting, the City Council approved a resolution to delay the authorization of such issuance to May 19, 2020. The City Council meeting on May 19, 2020 is expected to be held at the regular meeting place in the City Hall, 630 East Hopkins, San Marcos, Texas, to be commenced at 6:00 p.m., however due to the ongoing public health concerns regarding the COVID 19 virus, and as may be authorized by Executive Order of the Governor of Texas, such meeting may be conducted via a free public video conference or other lawful electronic means. In such event, information regarding how to access the meeting and public participation in the meeting will be available on the City's website and in the agenda posted no less than 72 hours before the May 19, 2020 meeting at the following internet address:

<https://www.sanmarcostx.gov/AgendaCenter>

The City presently proposes to provide for the payment of the certificates of obligation by the levy of ad valorem taxes, within the limits prescribed by law. The certificates of obligation will be additionally payable from a limited pledge of surplus revenues of the City's water and waste water system not to exceed \$1,000. The following information is required pursuant to Texas Local Government Code, Section 271.049(b)(4) to be provided by the City (excludes \$215,180,000 in principal amount of outstanding debt obligations that the City has designated as self-supporting and which the City reasonably expects to pay from revenues sources other than ad valorem taxes; provided, however, that in the event that such self-supporting revenue sources are insufficient to pay debt service, the City is obligated to levy ad valorem taxes to pay such debt obligations): As of March 17, 2020 principal of all outstanding debt obligations of the City is \$106,350,000. As of March 17, 2020 combined principal and interest required to pay all outstanding debt obligations of the City on time and in full is \$36,395,693.64. The maximum principal amount of the Certificates to be authorized is \$50,500,000. The estimated combined principal and interest required to pay the Certificates to be authorized on time and in full is \$77,110,315.28. The estimated interest rate for the Certificates to be authorized is 3.50%. Such estimates take into account a number of factors, including the issuance schedule, maturity schedule and the expected ratings of the proposed Certificates. Such estimated maximum interest rates is provided as a matter of information, but is not a limitation on the interest rate at which the Certificates, or any series thereof, may be sold. The maximum maturity date of the Certificates to be authorized is August 15, 2045. More information on the specific debt obligations that the City has designated as self-supporting is available upon request to the City at the address

noted above.