

**CITY OF TOOL, TEXAS
NOTICE OF INTENTION TO ISSUE
CERTIFICATES OF OBLIGATION**

NOTICE IS HEREBY GIVEN that the City Council of the City of Tool, Texas, at its meeting to commence at 6:00 P.M. on April 16, 2020, at the City Council Chambers, 701 N. Tool Drive, Tool, Texas, tentatively proposes to adopt one or more ordinances authorizing the issuance of interest bearing certificates of obligation, in one or more series, in an amount not to exceed \$3,500,000 for paying all or a portion of the City's contractual obligations incurred in connection with: (i) constructing, reconstructing, and improving streets and roads, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting and signage; (ii) improving and renovating existing municipal buildings, including primarily City Hall, police, and fire buildings; (iii) acquiring, constructing, installing, and equipping park and recreational improvements in the City; and (iv) legal, fiscal and engineering fees in connection with such projects. The City proposes to provide for the payment of such certificates of obligation from the levy and collection of ad valorem taxes in the City as provided by law and from a limited pledge of surplus revenues of the City's Civic Center, remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or any part of the net revenues of the City's Civic Center. The certificates of obligation are to be issued, and this notice is given, under and pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271, as amended ("Chapter 271").

In accordance with the provisions of Chapter 271, the following information has been provided by the City: (i) the principal amount of all outstanding debt obligations of the City is \$2,150,000; (ii) the current combined principal and interest required to pay all outstanding debt obligations of the City on time and in full is \$2,379,491; (iii) the maximum principal amount of the certificates of obligation to be authorized is \$3,500,000; (iv) the estimated combined principal and interest required to pay the certificates of obligation to be authorized on time and in full is \$4,205,890; (v) the maximum interest rate for the certificates may not exceed the maximum legal interest rate; and (vi) the maximum maturity date of the certificates of obligation to be authorized is February 15, 2034.

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