

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Magnolia, Texas (the “City”), will meet at the Sewall Smith Council Chambers at Magnolia City Hall, 18111 Buddy Riley Blvd, Magnolia, Texas 77354 at 6:00 p.m. on the 14th day of November, 2023, which is the time and place tentatively set for the passage of an ordinance and such other action as may be deemed necessary to authorize the issuance of the City’s certificates of obligation, in the maximum aggregate principal amount of \$10,675,000 payable from ad valorem taxation and from a limited pledge of a subordinate lien on the net revenues of the City’s waterworks and sewer system, bearing interest at any rate or rates not to exceed the maximum interest rate now or hereafter authorized by law, as shall be determined within the discretion of the City Council at the time of issuance, and maturing over a period of years not to exceed thirty (30) years from the date thereof, for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with (i) the construction or acquisition of and/or improvements to the City’s water and wastewater system, including the Nichols Sawmill wastewater treatment plant expansion and (ii) the cost of professional services incurred in connection therewith.

It is estimated that the combined principal and interest required to pay the certificates on time and full is \$14,824,294. Such estimate is provided for illustrative purposes only, and is based on an assumed interest rate of 3.00%. As of the date of this notice, the aggregate principal amount outstanding of tax-supported debt obligations of the City is \$1,098,000 and based on the City’s expectations, as of the date of this notice the combined principal and interest required to pay all of the outstanding tax-supported debt obligations of the City (excluding public securities secured by an ad valorem tax but designated by the City as self-supporting in Resolution No. R-2023-006, dated September 12, 2023, which resolution is available from the City upon request) on time and in full is \$1,374,833. Such amounts are derived from projections obtained from the City’s financial advisor based upon current market conditions and is provided from the City without assurance that such projections will be realized. The City cannot guarantee that such conditions will continue through the date of the sale of the Certificates.

WITNESS MY HAND this 12th day of September, 2023.

s/ Christian Gable  
Interim City Secretary