

CITY OF KERMIT, TEXAS
NOTICE OF INTENTION TO ISSUE COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Kermit, Texas, at its meeting to commence at 6:30 P.M. on March 19, 2026, at the Council Chambers, Kermit City Hall, 110 S. Tornillo Street, Kermit, Texas, tentatively proposes to adopt an ordinance authorizing the issuance of interest bearing certificates of obligation, in one or more series, in an amount not to exceed \$32,000,000 for paying all or a portion of the City's contractual obligations incurred in connection with: (i) acquiring, constructing, installing, and equipping additions, improvements, extensions, and equipment for the City's solid waste disposal system, including a new solid waste transfer station, together with related vehicles and equipment; (ii) acquiring, constructing and equipping one or more administrative office buildings housing the governmental functions of the City, including a new city hall building; (iii) acquiring, constructing and equipping public safety facilities, including a police station and fire station and related vehicles and equipment; (iv) acquiring, constructing and equipping public parks, including landscaping, irrigation, drainage, lighting, benches, pavilions, walking paths, public restrooms, baseball fields, soccer fields, basketball courts, volleyball courts, indoor recreation facilities, parking facilities and related infrastructure; and (v) legal, fiscal and engineering fees in connection with such projects. The maximum interest rate for the certificates may not exceed the maximum legal interest rate. The maximum maturity date for the certificates shall not exceed September 30, 2056. The estimated combined principal and interest required to pay the certificates to be authorized on time and in full is \$60,829,388. The current principal of all outstanding debt obligations of the City is \$2,556,000. The current combined principal and interest required to pay all outstanding debt obligations of the City on time and in full is \$2,717,063. 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 pledge of certain surplus revenues of the City's solid waste disposal system, 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 solid waste disposal system. The certificates of obligation are to be issued, and this notice is given, under and pursuant to the provisions of V.T.C.A., Local Government Code, Subchapter C of Chapter 271.

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