

## TITUS COUNTY, TEXAS

### OUTLINE OF REFUNDING OPPORTUNITY

June 12, 2017

- In 2009, the County issued Unlimited Tax and Pass-Through Toll Revenue Bonds in the amount of \$39,000,000.
  - In 2016, the County refunded \$8,330,000 of the 2009 Bonds which were eligible for redemption on March 1, 2019.
  - Of the outstanding balance, \$20,735,000 remain eligible for redemption on the call date.
- The remaining callable bonds have a combined average interest rate of 4.5034%.
- Current market conditions project the County could issue refunding bonds (the "2017 Refunding Bonds") to replace the callable bonds for a cost of funds of about 2.53%, which produces estimated debt service savings of more than \$1.4 Million and Net Present Value Savings of about 7.00% compared to the amount being refunded.
- Quoted savings is "net" to the County and is after all costs of issuance.
- The transaction will only occur if the following parameters are met at the time the 2017 Refunding Bonds are offered:
  - The True Interest Cost (TIC) of the Bonds shall not exceed 3.00%
  - The aggregate principal amount of the Bonds shall not exceed \$22,500,000
  - The refunding shall produce a Net Present Value savings of at least 7.00% of the principal amount of the Refunded Bonds
  - The final maturity will be no later than March 1, 2029 (no extension)

# TITUS COUNTY, TEXAS

## Unlimited Tax Refunding Bonds, Series 2017

### Proposed Schedule of Events

June 2017						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July 2017						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	28

August 2017						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Proposed Date	Action
June 7, 2017	Hilltop sends Request for Information (RFI) to County for material needed in preparation of offering documents.
<b>June 12, 2017</b>	<b>Commissioners Court Meeting to consider Bond Resolution and Pricing Certificate (9:00 AM Regular Meeting).</b>
June 13, 2017	County returns completed RFI material.
June 15, 2017	Underwriting Team determined. Hilltop sends out initial draft of POS for review and comment. Hilltop sends necessary information to Standard & Poor's (S&P) and Bond Insurers.
June 21, 2017	Comments on initial draft of POS are due to Hilltop.
June 26, 2017	Hilltop distributes second draft of POS for review and comment.
June 27, 2017	Conference Call with S&P (actual date and time TBD).
June 29, 2017	Comments on second draft of POS are due to Hilltop.
July 6, 2017	Hilltop posts POS to the internet.
July 11, 2017	Ratings received and bond insurance bids submitted.
<b>July 13, 2017</b>	<b>Bond Pricing. Underwriters offer Bonds to the public. Execute Pricing Certificate and Bond Purchase Agreement.</b>
July 14, 2017	Hilltop distributes draft of Final Official Statement for review and comment.
July 17, 2017	Bond Counsel submits documentation to Attorney General's Office. Comments due on Final Official Statement.
July 18, 2017	Final Official Statement posted to internet and sent to printer.
July 20, 2017	Written Final Official Statement received by all parties.
August 3, 2017	Hilltop to notify all parties of closing and delivery instructions.
August 9, 2017	Closing and Delivery.

TITUS COUNTY

Unlimited Tax Refunding Bonds, Series 2017

Debt Service and Savings Schedule - Preliminary

June 7, 2017

Fisc Year Ending	Existing Debt Service	Refunded Debt Service	Series 2016 Refunding Bonds				Total	New Combined Debt Service		Savings	
			Principal	Int. Rate	Yield	Interest		\$	\$	Annual	Cumulative
9/30/2017	\$ 10,928,638	\$ (469,369)	\$ 395,000	2.000%	0.950%	\$ 71,329	\$ 466,329	\$ 10,925,599	\$ 3,040	\$ 3,040	
9/30/2018	10,703,350	(938,738)				848,050	848,050	10,612,662	90,688	93,727	
9/30/2019	10,683,844	(938,738)				848,050	848,050	10,593,157	90,688	184,415	
9/30/2020	10,686,375	(2,574,638)	1,610,000	4.000%	1.290%	815,850	2,425,850	10,537,588	148,788	333,202	
9/30/2021	10,683,888	(2,574,075)	1,675,000	4.000%	1.440%	750,150	2,425,150	10,534,963	148,925	482,127	
9/30/2022	10,690,950	(2,570,613)	1,740,000	4.000%	1.620%	681,850	2,421,850	10,542,188	148,763	630,890	
9/30/2023	10,687,369	(2,573,806)	1,815,000	4.000%	1.790%	610,750	2,425,750	10,539,313	148,056	778,946	
9/30/2024	10,683,606	(2,571,288)	1,890,000	4.000%	1.960%	536,650	2,426,650	10,538,969	144,638	923,583	
9/30/2025	10,685,650	(2,573,950)	1,970,000	4.000%	2.150%	459,450	2,429,450	10,541,150	144,500	1,068,083	
9/30/2026	10,685,294	(2,571,419)	2,045,000	4.000%	2.370%	379,150	2,424,150	10,538,025	147,269	1,215,352	
9/30/2027	10,683,963	(2,571,988)	2,140,000	5.000%	2.490%	284,750	2,424,750	10,536,725	147,238	1,362,590	
9/30/2028	10,682,325	(2,574,963)	2,255,000	5.000%	2.590%	174,875	2,429,875	10,537,238	145,088	1,507,677	
9/30/2029	10,679,331	(2,574,731)	2,370,000	5.000%	2.690%	59,250	2,429,250	10,533,850	145,481	1,653,158	
9/30/2030	10,687,400							10,687,400			
9/30/2031	10,684,200							10,684,200			
9/30/2032	10,687,550							10,687,550			
9/30/2033	10,926,925							10,926,925			
9/30/2034	10,931,225							10,931,225			
	\$ 193,081,883	\$ (28,078,313)	\$ 19,905,000			\$ 6,520,154	\$ 26,425,154	\$ 191,428,724	\$ 1,653,158		

Notes:

The Series 2017 Refunding Bonds are dated August 1, 2017 and will be delivered on August 9, 2017.  
 Refunded Debt Service includes:

\$20,735,000 of ULT & Pass Through Toll Revenue Bonds, Series 2009 maturing 2020-2029 to be redeemed on March 1, 2019.

The Series 2017 Refunding Bonds are scheduled to mature on March 1 in each of the years shown.

Interest on the Series 2017 Refunding Bonds is payable on March 1 and September 1, beginning September 1, 2017.

The True Interest Cost ("TIC") of the interest rates and yield shown above computes to 2.5351%.

The average rate of interest on the bonds being refunded is 4.5034%.

**The Net Present Value Savings of this transaction is \$1,453,157.48 or 7.01% of the refunded debt.**

*This transaction has negative arbitrage computing to \$343,476.08 or 23.64% of NPV Savings.*

