

Brian Lee

From: Jeff Gulbas <jgulbas@mphlegal.com>
Sent: Tuesday, July 18, 2017 1:48 PM
To: Brian Lee (titusjudge@gmail.com)
Cc: Joey Dierker (HTS); John L. Martin (HTS)
Subject: Titus County Refunding Bonds - Pricing
Attachments: image001.jpg

Good afternoon Judge Lee,

John's team has completed the pricing of the refunding bonds. If you are ready to accept the terms of the underwriter, I ask that as soon as you are able, please send me an email that you accept the underwriting as described below.

The pricing satisfied each parameter that was presented to the Commissioners Court on June 12. The aggregate principal amount of the Bonds is \$19,630,000 (the Commissioners Court was told they would not exceed \$22,500,000). The true interest cost of the refunding Bonds is 2.52% and the Commissioners Court was told it would not exceed 3.000%. The refunding produced a 7.61% present value savings of the bonds that were refunded, which is better than the 7% parameter. Lastly, the final maturity of this series of Bonds is March 1, 2029 which was the parameter.

If you have any questions, please don't hesitate to call. As soon as I receive your reply email, I'll send the executed Bond Purchase Agreement to the underwriters and we'll have a deal.

Jeff

MCCALL
PARKHURST & HORTON

Jeff Gulbas

717 North Harwood, Suite 900, Dallas, Texas 75201

T 214.754.9260 M 979.255.5635 F 214.754.9250

TITUS COUNTY

Unlimited Tax Refunding Bonds, Series 2017

Sources and Uses of Funds - FINAL

July 18, 2017

Sources of Funds:

Par Amount of Bonds:	\$ 19,630,000.00
Premium:	2,861,474.40
Accrued Interest:	<u>20,524.44</u>

Total Sources of Funds: \$ 22,511,998.84

Uses of Funds:

Deposit to Escrow Fund:	\$ 22,158,923.83
Deposit to Debt Service Fund:	20,858.95
Costs of Issuance:	161,000.00
Underwriter's Discount:	121,212.20
Bond Insurance Premium (19 bp):	<u>50,003.85</u>

Total Uses of Funds: \$ 22,511,998.84



TITUS COUNTY

Unlimited Tax Refunding Bonds, Series 2017

Debt Service and Savings Schedule - FINAL

July 18, 2017

Fisc Year Ending	Existing Debt Service	Refunded Debt Service	Series 2016 Refunding Bonds					New Combined Debt Service	Savings	
			Principal	Int.Rate	Yield	Interest	Total		Annual	Cumulative
9/30/2017	\$ 10,928,638	\$ (469,369)	\$ 390,000	2.000%	0.920%	\$ 76,967	\$ 466,967	\$ 10,926,236	\$ 2,402	\$ 2,402
9/30/2018	10,703,350	(938,738)				915,800	915,800	10,680,412	22,938	25,340
9/30/2019	10,683,844	(938,738)				915,800	915,800	10,660,907	22,938	48,277
9/30/2020	10,686,375	(2,574,638)	1,525,000	5.000%	1.390%	877,675	2,402,675	10,514,413	171,963	220,240
9/30/2021	10,683,888	(2,574,075)	1,605,000	5.000%	1.510%	799,425	2,404,425	10,514,238	169,650	389,890
9/30/2022	10,690,950	(2,570,613)	1,685,000	5.000%	1.660%	717,175	2,402,175	10,522,513	168,438	558,327
9/30/2023	10,687,369	(2,573,806)	1,770,000	5.000%	1.830%	630,800	2,400,800	10,514,363	173,006	731,333
9/30/2024	10,683,606	(2,571,288)	1,860,000	5.000%	2.010%	540,050	2,400,050	10,512,369	171,238	902,571
9/30/2025	10,685,650	(2,573,950)	1,960,000	5.000%	2.190%	444,550	2,404,550	10,516,250	169,400	1,071,971
9/30/2026	10,685,294	(2,571,419)	2,055,000	5.000%	2.380%	344,175	2,399,175	10,513,050	172,244	1,244,215
9/30/2027	10,683,963	(2,571,988)	2,160,000	5.000%	2.620%	238,800	2,398,800	10,510,775	173,188	1,417,402
9/30/2028	10,682,325	(2,574,963)	2,265,000	4.000%	2.830%	139,500	2,404,500	10,511,863	170,463	1,587,865
9/30/2029	10,679,331	(2,574,731)	2,355,000	4.000%	2.980%	47,100	2,402,100	10,506,700	172,631	1,760,496
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)	\$ 19,630,000			\$ 6,687,817	\$ 26,317,817	\$ 191,321,387	\$ 1,760,496	

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 2.5279%.
 The average rate of interest on the bonds being refunded is 4.5034%.
The Net Present Value Savings of this transaction is \$1,494,689.18 or 7.21% of the refunded debt.
This transaction has negative arbitrage computing to \$337,991.47 or 22.61% of NPV Savings.



TITUS COUNTY**Unlimited Tax Refunding Bonds, Series 2017****Bond Production Report - FINAL**

July 18, 2017

Due	Principal	Int.Rate	Yield	Price	Production
9/1/2017	\$ 390,000.00	2.000%	0.920%	\$ 100.065	\$ 253.50
3/1/2020	1,525,000.00	5.000%	1.390%	109.051	138,027.75
3/1/2021	1,605,000.00	5.000%	1.510%	112.054	193,466.70
3/1/2022	1,685,000.00	5.000%	1.660%	114.612	246,212.20
3/1/2023	1,770,000.00	5.000%	1.830%	116.687	295,359.90
3/1/2024	1,860,000.00	5.000%	2.010%	118.291	340,212.60
3/1/2025	1,960,000.00	5.000%	2.190%	119.481	381,827.60
3/1/2026	2,055,000.00	5.000%	2.380%	120.182	414,740.10
3/1/2027	2,160,000.00	5.000%	2.620%	120.012	432,259.20
3/1/2028 *	2,265,000.00	4.000%	2.830%	109.739	220,588.35
3/1/2029 *	2,355,000.00	4.000%	2.980%	108.430	198,526.50
	\$ 19,630,000.00				\$ 2,861,474.40

* Callable beginning March 1, 2027 at par.



TITUS COUNTY

Unlimited Tax Refunding Bonds, Series 2017

Costs of Issuance Budget

July 18, 2017

Financial Advisor:	\$ 85,100.00
Analytics Fee:	9,500.00
Bond Counsel Fee:	27,000.00
Bond Counsel Expenses:	3,000.00
Attorney General Fee:	9,500.00
S&P Rating Fee:	17,575.00
CPA Verification Fee:	3,000.00
POS/OS Posting Fee:	760.00
POS/OS Print & Ship:	750.00
Paying Agent Fee:	750.00
Escrow Agent Fee:	2,500.00
Redemption Fee:	-
Miscellaneous:	1,565.00
	<u>\$ 161,000.00</u>

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