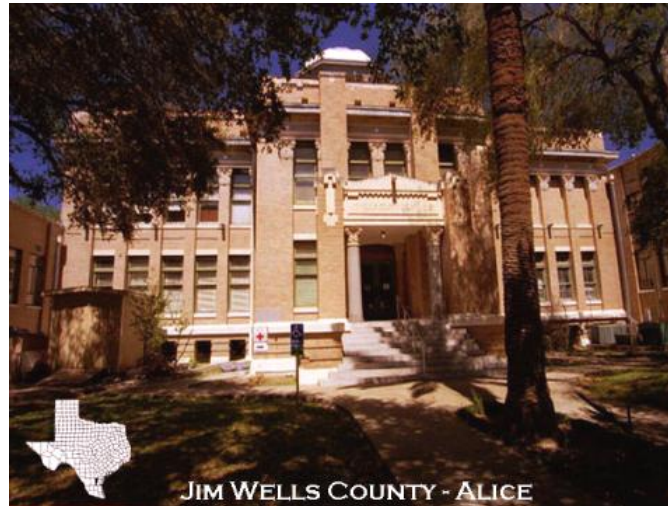


**PRESENTED TO**



## **JIM WELLS COUNTY, TEXAS**

### **REFUNDING BONDS, SERIES 2008**

#### **-REFUNDING SUMMARY-**

**ESTRADA ■ HINOJOSA**  
INVESTMENT BANKERS

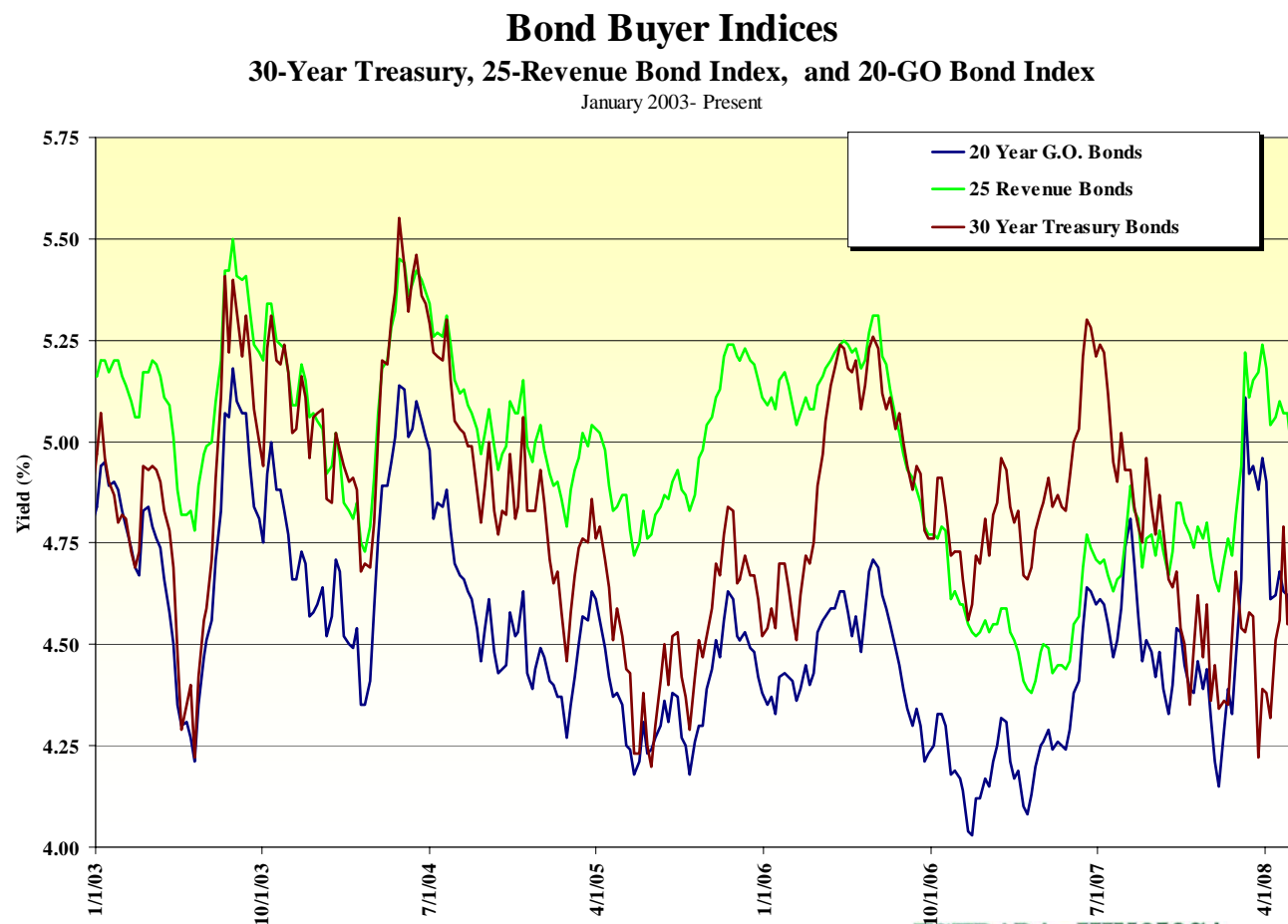
Dallas • Houston • Miami • San Antonio • San Diego

June 9, 2008

# Refunding Opportunity

- ❖ The County issued:
  - Certificates of Obligation, Series 2003 at a fixed interest rate of 5.15%.

- ❖ Interest rates are near historic lows.
- ❖ Bank of America has agreed, pending formal approval by County, to purchase proposed 2008 Refunding at a fixed rate of 3.86%, which is 1.29% lower than current rate.



# Eligible Bonds and Maturities

Issue	Maturity Date	Interest Rates	Par Amount	Call Date	Call Price	2008 Rates	Difference
Certificates of Obligation, Series 2003							
	3/1/2009	5.150%	\$ 64,115.22	9/1/2008	100.00	3.860%	1.29%
	9/1/2009	5.150%	64,115.22			3.860%	1.29%
	3/1/2010	5.150%	67,460.22			3.860%	1.29%
	9/1/2010	5.150%	67,460.22			3.860%	1.29%
	3/1/2011	5.150%	70,979.73			3.860%	1.29%
	9/1/2011	5.150%	70,979.74			3.860%	1.29%
	3/1/2012	5.150%	74,682.87			3.860%	1.29%
	9/1/2012	5.150%	74,682.87			3.860%	1.29%
	3/1/2013	5.150%	78,579.21			3.860%	1.29%
	9/1/2013	5.150%	78,579.20			3.860%	1.29%
	3/1/2014	5.150%	82,678.81			3.860%	1.29%
	9/1/2014	5.150%	82,678.82			3.860%	1.29%
	3/1/2015	5.150%	86,992.30			3.860%	1.29%
	9/1/2015	5.150%	86,992.32			3.860%	1.29%
	3/1/2016	5.150%	91,530.84			3.860%	1.29%
	9/1/2016	5.150%	91,530.85			3.860%	1.29%
	3/1/2017	5.150%	96,306.17			3.860%	1.29%
	9/1/2017	5.150%	96,306.17			3.860%	1.29%
	3/1/2018	5.150%	101,330.62			3.860%	1.29%
	9/1/2018	5.150%	101,330.63			3.860%	1.29%
	3/1/2019	5.150%	106,617.22			3.860%	1.29%
	9/1/2019	5.150%	106,617.22			3.860%	1.29%
	3/1/2020	5.150%	112,179.62			3.860%	1.29%
	9/1/2020	5.150%	112,179.62			3.860%	1.29%
	3/1/2021	5.150%	118,032.23			3.860%	1.29%
	9/1/2021	5.150%	118,032.22			3.860%	1.29%
	3/1/2022	5.150%	124,190.16			3.860%	1.29%
	9/1/2022	5.150%	124,190.17			3.860%	1.29%
	3/1/2023	5.150%	130,669.38			3.860%	1.29%
	9/1/2023	5.150%	130,669.38			3.860%	1.29%
<b>TOTAL DEBT TO BE REFUNDED:</b>			<b>\$ 2,812,689.25</b>				

# Savings Summary

FYE 12/31	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value Savings	FYE 12/31
2008	\$ 72,427	\$ 54,722	\$ 17,704	\$ 13,587	\$ 4,117	\$ 3,843	2008
2009	271,433	-	271,433	256,168	15,265	16,121	2009
2010	271,433	-	271,433	255,571	15,862	16,117	2010
2011	271,433	-	271,433	254,781	16,652	16,264	2011
2012	271,433	-	271,433	258,798	12,635	12,273	2012
2013	271,433	-	271,433	257,429	14,004	12,989	2013
2014	271,433	-	271,433	255,867	15,566	13,789	2014
2015	271,433	-	271,433	259,112	12,321	10,851	2015
2016	271,433	-	271,433	256,971	14,462	12,064	2016
2017	271,433	-	271,433	254,637	16,796	13,309	2017
2018	271,433	-	271,433	257,110	14,323	11,181	2018
2019	271,433	-	271,433	254,197	17,236	12,716	2019
2020	271,433	-	271,433	256,091	15,342	11,097	2020
2021	271,433	-	271,433	257,599	13,834	9,819	2021
2022	271,433	-	271,433	258,721	12,712	8,847	2022
2023	271,433	-	271,433	254,457	16,976	10,958	2023
	<b>\$ 4,143,921</b>	<b>\$ 54,722</b>	<b>\$ 4,089,199</b>	<b>\$ 3,861,096</b>	<b>\$ 228,103</b>	<b>\$ 192,237</b>	

## Savings Summary

**Net Present Value of Savings: \$192,237**

**Percentage Savings of Refunded Debt: 6.835%**

## Sources and Uses of Funds

### SOURCES OF FUNDS

Total Par Amount		2,880,000.00
Issuer Contribution		54,722.43
Total Uses of Funds		<u><u>\$2,934,722.43</u></u>

### USES OF FUNDS

Cash Deposit	\$	1.36	
Deposit to Escrow Fund [SLGs]		2,878,477.00	2,878,478.36
Cost of Issuance			56,244.07
Total Uses of Funds			<u><u>\$2,934,722.43</u></u>

# Refunding Bonds

## ❖ Issue Description:

Refunding Bonds, Series 2008

- ▶ Dated Date: 07/17/2008
- ▶ Delivery Date: 07/17/2008
- ▶ Bank of America Rate of 3.86%
- ▶ Non Callable
- ▶ Escrow invested in SLGs  
06/05/2008

### ESTIMATED RESULTS

<b>Total Savings</b>	\$228,103
<b>Net PV Savings</b>	\$192,237
<b>% PV Savings</b>	6.835%
<b>Principal Refunded</b>	\$2,812,689
<b>True Interest Cost [2008 TIC]</b>	3.860%
<b>Avg. Coupon of Refunded Debt</b>	5.150%

### DEBT TO BE REFUNDED

	<u>Principal Refunded</u>	<u>Maturities</u>	<u>Debt Call Date</u>
Certificates of Obligation, Series 2003	\$ 2,812,689	2009 - 2023	09/01/2008 @ PAR

## Conclusion

- ❖ Issuers have customarily set savings thresholds for refundings at the range of 3% - 5% as a percentage of savings of the Refunded Bonds.
- ❖ Savings can be taken on a level basis [FYE 12/31/2009 – 12/31/2023].
- ❖ At present, Series 2008 Refunding produces:

Savings Summary	
Net Present Value of Savings:	<b>\$192,237</b>
Percentage Savings of Refunded Debt:	<b>6.835%</b>

- ❖ Estrada Hinojosa's recommendation is to accept winning bid received from Bank of America. If accepted, Estrada Hinojosa and Escamilla & Poneck will work to close transaction by July 17, 2008.

# Financing Team

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❖ <b>ISSUER</b>	<b>JIM WELLS COUNTY</b>
❖ <b>FINANCIAL ADVISOR</b>	Estrada Hinojosa & Company, Inc.
❖ <b>BOND COUNSEL</b>	Escamilla & Poneck
❖ <b>PURCHASER</b>	Bank of America
❖ <b>PAYING AGENT</b>	Bank of America
❖ <b>ESCROW AGENT</b>	Wells Fargo, N.A
❖ <b>VERIFICATION AGENT</b>	Grant Thornton LLP



# Time Table

Private Placement  
**JIM WELL COUNTY, TEXAS**  
\$2,880,000  
Refunding Bonds, Series 2008  
Timetable of Events

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<b>June 9, 2008</b>	<b>(Monday)</b>	<b>Present Final Pricing on Refunding Transaction to Commissioners Court.</b>
June 10, 2008	(Tuesday)	Submit Documents to Texas Attorney General's office.
July 10, 2008	(Thursday)	Receive Attorney General's Approval.
July 10, 2008	(Thursday)	Email first draft of closing memo.
July 14, 2008	(Monday)	Email Final closing memo.
July 17, 2008	(Thursday)	Closing.

# Office Locations

## TEXAS

### **Dallas Headquarters**

1717 Main Street  
LB 47, Suite 4760  
Dallas, TX 75201-7361  
214-658-1670  
Toll Free 800-676-5352  
Fax 214-658-1671

### **Houston Office**

4900 Woodway Drive  
Suite 680  
Houston, TX 77056  
713-622-6690  
Fax 713-622-6686

### **San Antonio Office**

100 W. Houston Street  
Suite 1400  
San Antonio, TX 78205  
210-223-4888  
Toll Free 877-223-0600  
Fax 210-223-4849

## CALIFORNIA

### **San Diego Office**

437 J Street  
Suite 212  
San Diego, CA 92101  
619-234-7783  
Fax 619-234-1576

## FLORIDA

### **Miami Office**

201 S. Biscayne Blvd.  
Suite 2826  
Miami, FL 33131  
305-913-4600  
Fax 305-913-4601