



RBC Capital Markets®

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Via E-mail: rebecca.underhill@leaguecity.com

Ms. Rebecca Underhill
Finance Director
City of League City
300 West Walker
League City, Texas 77573

Re: Galveston County Municipal Utility District No. 43
\$5,880,000 Unlimited Tax Refunding Bonds, Series 2015C

Dear Ms. Underhill:

On Tuesday, June 2, 2015 Galveston County Municipal Utility District No. 43's (the "District") Board of Directors approved the issuance of its first refunding series. The District is required to receive approval from the City of League City (the "City") prior to the sale of bonds, in compliance with Section 5.02 of the "Utility Agreement between the District and the City of League City, Texas" (the "Agreement"). The terms and conditions of the Bonds are in compliance with the Utility Agreement.

It is anticipated that the issuance of the Bonds will result in no increase to the District's levied 2014 tax rate of \$1.00 per \$100 of taxable assessed valuation, split into \$0.74 for debt service and \$0.26 for maintenance. The District's 2015 Preliminary Assessed Valuation as provided by the Galveston Central Appraisal District is \$324,224,413 as of January 1, 2015.

The Bonds will advance refund a portion of the District's Unlimited Tax Bonds, Series 2008. The Bonds, structured with the same maturity schedule as the refunded bonds, will not extend the District's debt. The Bonds, as of June 11, 2015, are projected to provide the District with 18.78% (\$909,260) in net present value savings and \$1,527,154 in Debt Service savings.

The attached refunding numbers reflect a bond issue size of \$5,880,000. However, we request that the City approves an amount "not to exceed \$6,890,000". This allows for additional bonds to be refunded should the market move in the District's favor, without surpassing the \$10,000,000 bank qualified bond limit on the 2015 calendar year.

If I may be of further assistance, please do not hesitate to contact me at 713-651-3338.

Sincerely,

Eugene B. Shepherd
Managing Director

cc: Lonna Stein City of League City, Texas
Jessica Holoubek Allen Boone Humphries Robinson LLP

Enclosure