

Memorandum

To: Finance Committee
Copy: Board of Managers
From: Jonny F. Hipp, Administrator
Date: June 3, 2015
Re: Limited Tax Refunding Bonds, Series 2003

In 1993, the Hospital District issued the lower interest Combination Tax and Subordinate Lien Revenue Refunding Bonds, Series 1993 to refund prior bonds used to renovate portions of the District-owned hospital then known as Memorial Medical Center located at 2606 Hospital Boulevard in Corpus Christi.

In 2003, the Hospital District issued the lower interest Limited Tax Refunding Bonds, Series 2003 to refund the Combination Tax and Subordinate Lien Revenue Refunding Bonds, Series 1993 bonds.

This is to notify the Board of Managers that the final principal and interest payment on the Limited Tax Refunding Bonds, Series 2003 will be July 1, 2015. The front page of the Series, 2003's official offering statement attached shows the maturity schedule.

Thank you.

Jonny F. Hipp

OFFICIAL STATEMENT

NEW ISSUE - Book-Entry Only

Ratings: Moody's: "Aaa"
S&P: "AAA"
(Financial Guaranty Insured)
See "OTHER INFORMATION - Ratings"

The delivery of the Bonds is subject to the opinion of Vinson & Elkins L.L.P., Bond Counsel, to the effect that interest on the Bonds is excludable from gross income of the holders thereof for federal income tax purposes under existing law and is not an item of tax preference that is includable in alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on individuals. See "TAX EXEMPTION" herein for a discussion of Bond Counsel's opinion, including a description of alternative minimum tax consequences for corporations and other federal tax consequences.

\$18,490,000
NUECES COUNTY HOSPITAL DISTRICT
(Nueces County, Texas)
LIMITED TAX REFUNDING BONDS, SERIES 2003

Dated Date: February 15, 2003


Due: July 1, as shown below

The Bonds will be issued in fully registered form in the denominations of \$5,000 or any integral multiple thereof within a maturity. Interest on the Bonds will accrue from February 15, 2003, and will be payable on January 1 and July 1 of each year, commencing July 1, 2003. Principal of the Bonds will be payable at stated maturity or prior redemption by the paying agent/registrars for the Bonds (the "Paying Agent/Registrar"), initially Wells Fargo Bank Minnesota, N.A., Minneapolis, Minnesota. The Nueces County Hospital District (the "District") intends to use the book-entry only system of the Depository Trust Company ("DTC"), but reserves the right on its behalf or on behalf of DTC to discontinue such system. Such book-entry only system will affect the method and timing of payment and the method of transfer DTC will be responsible for distributing the principal and interest payments to the participating members of DTC and the participating members will be responsible for distributing payment to the owners of beneficial interest in the Bonds. See "THE BONDS — Book-Entry Only System" herein.

The Bonds maturing on or after July 1, 2014, are subject to redemption prior to stated maturity at the option of the District, in whole or in part, on July 1, 2013, and on any date thereafter. See "THE BONDS — Redemption."

The proceeds of the Bonds, together with other funds available to the District, will be used for the purpose of refunding all of the District's outstanding Combination Tax and Subordinate Lien Revenue Refunding Bonds, Series 1993 (the "Refunded Bonds") and paying the costs of issuing the Bonds. See "THE BONDS."

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Financial Guaranty Insurance Company.

 Financial Guaranty Insurance Company

FGIC is a registered service mark used by Financial Guaranty Insurance Company, a private company not affiliated with any U.S. Government agency.

The Bonds are being issued pursuant to the Constitution and laws of the State of Texas, in particular Chapter 1207, Texas Government Code, as amended, an Order of the Commissioners Court of Nueces County, Texas (the "Commissioners Court") authorizing the issuance of the Bonds on behalf of the District (the "Order") and an election held on May 1, 1993 authorizing the Refunded Bonds. The Bonds are secured by and payable from a continuing, direct annual ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the territorial limits of the District, which is coterminous with the Nueces County, Texas (the "County"). See "THE BONDS — Security for Payment."

MATURITY SCHEDULE

| <u>Amount</u> | <u>Maturity</u> | <u>Interest Rate</u> | <u>Price or Yield</u> | <u>Amount</u> | <u>Maturity</u> | <u>Interest Rate</u> | <u>Price or Yield</u> |
|---------------|-----------------|----------------------|-----------------------|---------------|-----------------|----------------------|-----------------------|
| \$ 255,000 | 7/1/2003 | 2.000% | 1.030% | \$1,515,000 | 7/1/2010 | 3.250% | 3.370% |
| \$1,305,000 | 7/1/2004 | 3.000% | 1.250% | \$1,565,000 | 7/1/2011 | 3.500% | 3.620% |
| \$1,345,000 | 7/1/2005 | 2.000% | 1.450% | \$1,615,000 | 7/1/2012 | 3.700% | 3.790% |
| \$1,365,000 | 7/1/2006 | 2.000% | 1.850% | \$1,675,000 | 7/1/2013 | 3.800% | 3.900% |
| \$1,395,000 | 7/1/2007 | 2.500% | 2.250% | \$1,740,000 | 7/1/2014 | 4.000% | 4.050% |
| \$1,430,000 | 7/1/2008 | 2.750% | 2.680% | \$1,815,000 | 7/1/2015 | 4.100% | 4.150% |
| \$1,470,000 | 7/1/2009 | 3.000% | 3.070% | | | | |

The Bonds are offered when, as and if issued by the District and received by the Underwriters, subject to the approval of legality by the Attorney General of the State of Texas and Vinson & Elkins L.L.P., Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Fulbright & Jaworski L.L.P. Certain legal matters will be passed upon by Alsop & Alsop, legal counsel to the District. The Bonds are expected to be available for delivery through DTC on or about April 3, 2003.

Banc of America Securities LLC

SOUTHWEST SECURITIES