

Texas Municipal Reports

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Terrell, City of (General Obligation Debt)

Last Revised 02/08/2010

Kaufman County

TMR # 2406

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FOR OTHER BONDS OF THE CITY, SEE SEPARATE TEXAS MUNICIPAL REPORT.

FINANCIAL STATEMENT (As of January 31, 2009)

Taxable Assessed Valuation, 2009 (100% of Market)	\$1,022,953,844*
New Debt	\$3,185,000
Outstanding Debt	21,100,000

Total General Obligation Debt	\$24,285,000
Less: Self-Supporting	
Utility	5,106,800

GO Debt payable from Ad Valorem Taxes	\$19,178,200
Less: I&S Fund	2,344,840

Net Debt	\$16,833,360
	=====

*Includes Captured Value of TIF #1.

Net Debt Per Net Assessed Valuation - 1.65%
 Net Debt Per Sq mile - \$853,186.01

Net Debt Per Capita - \$909.91
 Net Assessed Valuation Per Capita - \$55,294.80

Bureau of Census Pop: 1990 - 12,490; 2000 - 13,606
 2009 Estimated Population - 18,500
 Area: 19.73 Sq miles

PAYMENT RECORD Never defaulted.

TAX DATA

Tax Year	Assessed Valuation*	Tax Rate	Adjusted Levy	% Current	Collections Total	Year Ended
2003	\$666,876,105	\$0.6470	\$4,314,688	96.53	102.46	09/30/2004
2004	727,025,258	0.6500	4,725,664	96.74	101.16	09/30/2005
2005	834,585,941	0.6500	5,424,809	95.48	100.56	09/30/2006
2006	894,542,447	0.6500	5,814,526	94.81	99.89	09/30/2007
2007	931,051,598	0.6500	6,051,835	98.09	100.98	09/30/2008
2008	1,014,913,277	0.6500	6,596,936	81.20	81.97	09/30/2009**
2009	1,022,953,844	0.6456	6,604,190			(In process of collection)

*Includes Captured Value of TIF #1.

**Collections through January 31, 2009.

TAX INCREMENT FINANCE ZONE #1

Tax Year	Captured Value
2008	\$8,205,322
2009	7,322,580

Tax Rate Distribution	2009	2008	2007	2006
Operations	\$0.4637	\$0.4701	\$0.4701	\$0.4685
I&S	0.1819	0.1799	0.1799	0.1815
	-----	-----	-----	-----
Totals	\$0.6456	\$0.6500	\$0.6500	\$0.6500

Tax Rate Limitation: Article XI, Section 5 of Texas Constitution, applicable to cities of more than 5,000 population: \$2.50 per \$100 assessed valuation. City operates under a Home Rule Charter which adopts constitutional provisions.

TAX ABATEMENT The Tax Abatement for tax year 2009 was \$13,070,134. The City currently has 8 abatement agreements in effect.

TAX INCREMENT FINANCE ZONE # 1 The Terrell Tax Increment Finance Zone was created through an interlocal agreement between the City of Terrell and Kaufman County in 2007. The base year value was \$128,468,224. The zone has a term of 30 years.

Municipal Sales Taxes. The City has adopted the provisions of Article 1066c, VACS, Section 9. In addition some cities are subject to a property tax relief and/or an economic and industrial development tax. Includes 1/2 of 1% for Terrell Economic Development Corporation (4A), effective October 1, 1990 - Comptroller. Net collections on calendar year basis are as follows:

Calendar Year	Rate	Total Collected	% of Ad Val Tax Levy	Equiv of Ad Val Tax Rate
2005	2.000%	\$6,745,639	124.3%	\$0.81
2006	2.000	6,993,045	120.2	0.78
2007	2.000	6,950,841	114.8	0.75
2008	2.000	7,200,897	109.1	0.71

DETAILS OF GENERAL OBLIGATION DEBT

Outstanding 1/31/2009

Tax & WW & SS (Ltd Pledge) Rev C/O Ser 99
 Tax Treatment: BQ
 Original Issue Amount \$4,500,000.00
 Dated Date: 03/01/1999
 Sale Date: 03/02/1999
 Delivery Date: 04/01/1999
 Sale Type: Competitive
 TIC: 4.6054%
 Record Date: MSRB
 Bond Form: BE
 Denomination \$5,000
 Interest pays Semi-Annually: 08/15, 02/15
 1st Coupon Date: 02/15/2000
 Paying Agent: The Bank of New York Mellon Trust Company, N.A., New York, NY
 Bond Counsel: Fulbright & Jaworski
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: Morgan Stanley Dean Witter

Insurance: FGIC

Use of Proceeds: Public Improvements.

Call Option: Non Callable

Security : Limited Tax and a subordinate lien on the net revenues of the Water & Sewer System not to exceed \$ 1,000.

Mty(s) 02/15/2010-02/15/2016, 02/15/2019 defeased by GO Ref Bds Ser 2009 @ par.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2009	235,000.00	4.200%	100.00%
-----\$235,000.00			

Tax & WW & SS Surplus Rev C/O Ser 2002
 Tax Treatment: BQ
 Original Issue Amount \$4,500,000.00
 Dated Date: 06/15/2002
 Sale Date: 06/18/2002
 Delivery Date: 07/23/2002
 Sale Type: Competitive
 TIC: 4.5139%

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Record Date: MSRB
 Bond Form: BE
 Denomination \$5,000
 Interest pays Semi-Annually: 08/15, 02/15
 1st Coupon Date: 02/15/2003
 Paying Agent: US Bank N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: Morgan Stanley

Insurance: AMBAC

Use of Proceeds: Streets, Drainage, Sidewalks, Utility, Right of Way.

Call Option: Bonds maturing on 02/15/2013 to 02/15/2022 callable in whole or in part on any date beginning 02/15/2012 @ par.

Security : Limited Tax and a Subordinate lien on the Surplus revenues of the Water & Sewer system

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2009	160,000.00	3.600%	3.650%
02/15/2010	165,000.00	3.800%	3.850%
02/15/2011	175,000.00	3.900%	4.000%
02/15/2012	185,000.00	4.000%	4.100%
02/15/2013	190,000.00	4.100%	4.200%
02/15/2014	200,000.00	4.250%	4.300%
02/15/2015	210,000.00	4.400%	100.00%
02/15/2016	225,000.00	4.400%	4.500%
02/15/2017	235,000.00	4.500%	4.600%
02/15/2018	245,000.00	4.600%	4.700%
02/15/2019	260,000.00	4.700%	4.750%
02/15/2020	275,000.00	4.750%	4.800%
02/15/2021	290,000.00	4.850%	4.900%
02/15/2022	305,000.00	4.900%	4.950%
-----\$3,120,000.00			

Tax & Airpt Surplus Rev C/O Ser 2003
 Tax Treatment: T/E
 Original Issue Amount \$1,500,000.00
 Dated Date: 02/15/2003
 Sale Date: 02/18/2003
 Delivery Date: 03/20/2003
 Sale Type: Competitive
 TIC: 4.4033%
 Record Date: MSRB
 Bond Form: BE
 Denomination \$5,000
 Interest pays Semi-Annually: 08/15, 02/15
 1st Coupon Date: 02/15/2004
 Paying Agent: US Bank N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: Morgan Keegan & Company, Inc.
 Joint Manager: SAMCO Capital Markets
 Joint Manager: Stifel, Nicolaus & Company, Inc.
 Joint Manager: Wachovia Bank

Insurance: National Public Finance Guarantee Corporation

Use of Proceeds: Airport.

Call Option: Bonds maturing on 02/15/2014 to 02/15/2023 callable in whole or in part on any date beginning 02/15/2013 @ par.

Security : Limited Tax and a Subordinate lien on the Net revenues of the Municipal Airport system

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2009	60,000.00	4.500%	3.010%
02/15/2010	65,000.00	4.500%	3.310%
02/15/2011	65,000.00	4.500%	3.560%
02/15/2012	70,000.00	4.500%	3.730%
02/15/2013	70,000.00	4.500%	3.850%
02/15/2014	75,000.00	4.000%	4.020%
02/15/2015	80,000.00	4.000%	4.120%
02/15/2016	85,000.00	4.150%	4.230%
02/15/2017	85,000.00	4.250%	4.330%
02/15/2018	90,000.00	4.300%	4.400%
02/15/2019	95,000.00	4.400%	4.500%
02/15/2020	100,000.00	4.500%	4.580%
02/15/2021	105,000.00	4.600%	4.625%
02/15/2022	110,000.00	4.650%	4.710%
02/15/2023	115,000.00	4.700%	4.780%
-----\$1,270,000.00			

GO Ref Bds Ser 2004
 Tax Treatment: BQ
 Original Issue Amount \$3,835,000.00
 Dated Date: 03/01/2004
 Sale Date: 03/02/2004
 Delivery Date: 04/01/2004
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: BE
 Denomination \$5,000
 Interest pays Semi-Annually: 02/15, 08/15
 1st Coupon Date: 08/15/2004
 Paying Agent: US Bank N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: Estrada Hinojosa & Company, Inc.

Insurance: National Public Finance Guarantee Corporation

Use of Proceeds: Refunding.

Utility 54.00%

Call Option: Bonds maturing on 02/15/2012 to 02/15/2014 callable in whole or in part on any date beginning 02/15/2011 @ par.

This issue defeased mty(s) 02/15/2005-02/15/2008 of Tax & Rev C/O Ser 88 @ par.
 This issue defeased mty(s) 02/15/2005-02/15/2013 of Comb Tax & Solid Waste Sys Surplus Rev C/O Ser 93 @ par.
 This issue defeased mty(s) 02/15/2005-02/15/2014 of Tax & W & SS Surplus Rev C/O Ser 94 @ par.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2009	370,000.00	2.250%	2.400%
02/15/2010	380,000.00	2.500%	2.600%
02/15/2011	390,000.00	2.750%	2.800%
02/15/2012	400,000.00	2.875%	3.000%
02/15/2013	420,000.00	3.125%	3.200%
02/15/2014	365,000.00	3.375%	3.400%
-----\$2,325,000.00			

Tax & WW & SS Surplus Rev C/O Ser 2004
 Tax Treatment: BQ
 Original Issue Amount \$5,500,000.00
 Dated Date: 09/15/2004
 Sale Date: 09/21/2004
 Delivery Date: 10/21/2004

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Sale Type: Competitive
 TIC: 3.9747%
 Record Date: MSRB
 Bond Form: BE
 Denomination: \$5,000
 Interest pays: Semi-Annually: 08/15, 02/15
 1st Coupon Date: 02/15/2005
 Paying Agent: US Bank N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: BOSC, Inc.
 Joint Manager: A.G. Edwards & Sons, Inc.
 Joint Manager: CIBC World Markets Corp.
 Joint Manager: Crews & Associates, Inc.
 Joint Manager: Morgan Stanley
 Joint Manager: Southtrust Securities Inc.
 Joint Manager: The Independent Bankers Bank
 Joint Manager: Kirlin Securities

Insurance: Syncora Guarantee Inc.

Use of Proceeds: Streets & Drainage, Sidewalks, Utility.

Call Option: Bonds maturing on 02/15/2015 to 02/15/2024 callable in whole or in part on any date beginning 02/15/2014 @ par.

Security : Limited Tax and a subordinate lien on the net revenues of the Waterworks & Sewer system.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2009	205,000.00	4.350%	2.650%
02/15/2010	210,000.00	4.000%	2.890%
02/15/2011	220,000.00	3.000%	3.090%
02/15/2012	230,000.00	3.200%	3.270%
02/15/2013	240,000.00	3.400%	3.410%
02/15/2014	250,000.00	3.500%	3.540%
02/15/2015	260,000.00	3.600%	3.650%
02/15/2016	270,000.00	3.700%	3.750%
02/15/2017	285,000.00	3.800%	3.840%
02/15/2018	295,000.00	3.900%	3.930%
02/15/2019	310,000.00	4.000%	4.020%
02/15/2020	325,000.00	4.000%	4.120%
02/15/2021	340,000.00	4.100%	4.200%
02/15/2022	355,000.00	4.200%	4.290%
02/15/2023	370,000.00	4.300%	4.400%
02/15/2024	390,000.00	4.375%	4.500%
-----\$4,555,000.00			

Comb Tax & WW & SS (Ltd Pledge) Rev C/O Ser 2006

Tax Treatment: BQ
 Original Issue Amount \$1,570,000.00
 Dated Date: 07/15/2006
 Sale Date: 07/18/2006
 Delivery Date: 08/17/2006
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: BE
 Denomination: \$5,000
 Interest pays: Semi-Annually: 08/15, 02/15
 1st Coupon Date: 02/15/2007
 Paying Agent: U.S. Bank, NA, Houston, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Financial Advisor: First Southwest Company, Dallas, TX
 Lead Manager: Southwest Securities

Insurance: Assured Guaranty Municipal Corp. (FSA)

Use of Proceeds: Streets & Drainage, Sidewalks, Utility.

Call Option: Bonds maturing on 08/15/2017 and 08/15/2020 and 08/15/2023 and 08/15/2026 callable in whole or in part on any date beginning 08/15/2016 @ par. The following term bonds are subject to mandatory sinking fund redemption each 8/15 @ par as follows: Mty 08/15/2014: 45M-08/15/2011: 50M-08/15/2012: 50M-08/15/2013: 55M matures 08/15/2014. Mty 08/15/2017: 55M-08/15/2015: 55M-08/15/2016: 55M matures 08/15/2017. Mty 08/15/2020: 60M-08/15/2018: 60M-08/15/2019: 65M matures 08/15/2020. Mty 08/15/2023: 65M-08/15/2021: 70M-08/15/2022: 75M matures 08/15/2023. Mty 08/15/2026: 75M-08/15/2024: 80M-08/15/2025: 85M matures 08/15/2026.

Security : Limited Tax and a Subordinate lien on the Surplus revenues of the Water & Sewer system not to exceed \$2,500

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
08/15/2009	40,000.00	4.000%	3.930%
08/15/2010	45,000.00	4.000%	100.00%
08/15/2014T	200,000.00	4.000%	4.080%
08/15/2017T	165,000.00	4.125%	4.150%
08/15/2020T	185,000.00	4.250%	100.00%
08/15/2023T	210,000.00	4.250%	4.350%
08/15/2026T	240,000.00	4.375%	4.450%
-----\$1,085,000.00			

Term bonds maturing on 08/15/2014:

Mandatory Redemption Date	Principal Amount
08/15/2011	\$45,000
08/15/2012	\$50,000
08/15/2013	\$50,000
08/15/2014	\$55,000

Term bonds maturing on 08/15/2017:

Mandatory Redemption Date	Principal Amount
08/15/2015	\$55,000
08/15/2016	\$55,000
08/15/2017	\$55,000

Term bonds maturing on 08/15/2020:

Mandatory Redemption Date	Principal Amount
08/15/2018	\$60,000
08/15/2019	\$60,000
08/15/2020	\$65,000

Term bonds maturing on 08/15/2023:

Mandatory Redemption Date	Principal Amount
08/15/2021	\$65,000
08/15/2022	\$70,000
08/15/2023	\$75,000

Term bonds maturing on 08/15/2026:

Mandatory Redemption Date	Principal Amount
08/15/2024	\$75,000
08/15/2025	\$80,000
08/15/2026	\$85,000

WW & SS (Ltd Pledge) Rev C/O Ser 2007A

Tax Treatment: BQ
 Original Issue Amount \$2,030,000.00
 Dated Date: 04/15/2007
 Sale Date: 04/17/2007
 Delivery Date: 05/23/2007
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: FR
 Denomination: \$5,000.00

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Interest pays Semi-Annually: 08/15, 02/15
 1st Coupon Date: 02/15/2008
 Paying Agent: Bank of America, N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Lead Manager: Banc of America Public Capital Corp

Use of Proceeds: Streets & Drainage, Maintenance Facility.

Call Option: Bonds maturing on 02/15/2027 callable in whole or in part on any date beginning 02/15/2015 @ par. The following term bonds are subject to mandatory sinking fund redemption each 2/15 @ par as follows: Mty 02/15/2027: 360M-02/15/2008; 455M-02/15/2009; 45M-02/15/2010; 50M-02/15/2011; 50M-02/15/2012; 50M-02/15/2013; 55M-02/15/2014; 55M-02/15/2015; 60M-02/15/2016; 60M-02/15/2017; 65M-02/15/2018; 70M-02/15/2019; 70M-02/15/2020; 75M-02/15/2021; 75M-02/15/2022; 80M-02/15/2023; 85M-02/15/2024; 85M-02/15/2025; 90M-02/15/2026; 95M matures 02/15/2027.

Security : Limited Tax and a lien on the net revenues of the Waterworks & Sewer system not to exceed \$2,500.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2027T	1,670,000.00	4.290%	N/A
-----\$1,670,000.00			

Term bonds maturing on 02/15/2027:

Mandatory Redemption Date	Principal Amount
02/15/2008	\$360,000
02/15/2009	\$455,000
02/15/2010	\$45,000
02/15/2011	\$50,000
02/15/2012	\$50,000
02/15/2013	\$50,000
02/15/2014	\$55,000
02/15/2015	\$55,000
02/15/2016	\$60,000
02/15/2017	\$60,000
02/15/2018	\$65,000
02/15/2019	\$70,000
02/15/2020	\$70,000
02/15/2021	\$75,000
02/15/2022	\$75,000
02/15/2023	\$80,000
02/15/2024	\$85,000
02/15/2025	\$85,000
02/15/2026	\$90,000
02/15/2027	\$95,000

WW & SS (Ltd Pledge) Rev C/O Taxable Ser 2007B

Tax Treatment: TAX
 Original Issue Amount \$2,030,000.00
 Dated Date: 04/17/2007
 Sale Date: 04/15/2007
 Delivery Date: 05/23/2007
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: FR
 Denomination \$5,000.00
 Interest pays Semi-Annually: 08/15, 02/15
 1st Coupon Date: 02/15/2008
 Paying Agent: Bank of America, N.A.
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Lead Manager: Banc of America Public Capital Corp

Use of Proceeds: Water.

Utility 100.00%

Call Option: Bonds maturing on 02/15/2017 callable in whole or in part on any date @ par plus a Redemption Premium. The Redemption Premium shall equal the greater of (1) zero or (2) the Mark-to-Market Adjustment as specified in the Indenture. The following term bonds are subject to mandatory sinking fund redemption each 2/15 @ par as follows: Mty 02/15/2017: 130M-02/15/2008; 165M-02/15/2009; 175M-02/15/2010; 185M-02/15/2011; 195M-02/15/2012; 210M-02/15/2013; 220M-02/15/2014; 235M-02/15/2015; 250M-02/15/2016; 265M matures 02/15/2017.

Security : Limited Tax and a lien on the net revenues of the Waterworks & Sewer system not to exceed \$2,500.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2017T	1,900,000.00	5.990%	N/A
-----\$1,900,000.00			

Term bonds maturing on 02/15/2017:

Mandatory Redemption Date	Principal Amount
02/15/2008	\$130,000
02/15/2009	\$165,000
02/15/2010	\$175,000
02/15/2011	\$185,000
02/15/2012	\$195,000
02/15/2013	\$210,000
02/15/2014	\$220,000
02/15/2015	\$235,000
02/15/2016	\$250,000
02/15/2017	\$265,000

Tax & WW & SS (Ltd Pledge) Rev C/O Ser 2008

Tax Treatment: BQ
 Original Issue Amount \$4,940,000.00
 Dated Date: 08/15/2008
 Sale Date: 08/19/2008
 Delivery Date: 09/18/2008
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: FR
 Denomination \$5000
 Interest pays Semi-Annually: 08/15, 02/15
 1st Coupon Date: 02/15/2009
 Paying Agent: Bank of America, N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Purchaser: Bank of America, N.A., Dallas, TX

Use of Proceeds: Streets & Drainage, Sewer, City Hall, Parking.

Utility 39.50%

Call Option: Bonds maturing on 02/15/2019 to 02/15/2028 callable in whole or in part on any date beginning 02/15/2018 @ par.

Security : Limited Tax and a subordinate lien on the net revenues of the Waterworks & Sewer system not to exceed \$1,000

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2009	60,000.00	4.461%	N/A
02/15/2010	240,000.00	4.461%	N/A
02/15/2011	255,000.00	4.461%	N/A
02/15/2012	265,000.00	4.461%	N/A
02/15/2013	285,000.00	4.461%	N/A
02/15/2014	295,000.00	4.461%	N/A
02/15/2015	305,000.00	4.461%	N/A
02/15/2016	325,000.00	4.461%	N/A
02/15/2017	335,000.00	4.461%	N/A

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Terrell, City of (General Obligation Debt)

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02/15/2018	355,000.00	4.461%	N/A
02/15/2019	180,000.00	4.461%	N/A
02/15/2020	190,000.00	4.461%	N/A
02/15/2021	195,000.00	4.461%	N/A
02/15/2022	205,000.00	4.461%	N/A
02/15/2023	215,000.00	4.461%	N/A
02/15/2024	225,000.00	4.461%	N/A
02/15/2025	235,000.00	4.461%	N/A
02/15/2026	245,000.00	4.461%	N/A
02/15/2027	260,000.00	4.461%	N/A
02/15/2028	270,000.00	4.461%	N/A
-----\$4,940,000.00			

09/30/2017	1,660,000.00	426,552.68	2,086,552.68
09/30/2018	1,460,000.00	361,921.73	1,821,921.73
09/30/2019	1,335,000.00	305,992.80	1,640,992.80
09/30/2020	1,025,000.00	257,015.70	1,282,015.70
09/30/2021	1,070,000.00	210,856.78	1,280,856.78
09/30/2022	1,120,000.00	162,052.28	1,282,052.28
09/30/2023	855,000.00	118,241.93	973,241.93
09/30/2024	775,000.00	82,512.23	857,512.23
09/30/2025	400,000.00	56,792.93	456,792.93
09/30/2026	420,000.00	38,832.78	458,832.78
09/30/2027	355,000.00	19,881.75	374,881.75
09/30/2028	270,000.00	6,022.35	276,022.35

	24,285,000.00	7,889,119.47	32,174,119.47

G0 Ref Bds Ser 2009
 Tax Treatment: BQ
 Original Issue Amount \$3,185,000.00
 Dated Date: 11/15/2009
 Sale Date: 11/17/2009
 Delivery Date: 12/17/2009
 Sale Type: Negotiated
 Record Date: MSRB
 Bond Form: FR
 Denomination \$5,000
 Interest pays Semi-Annually: 08/15, 02/15
 1st Coupon Date: 02/15/2010
 Paying Agent: Bank of America, N.A., Dallas, TX
 Bond Counsel: Fulbright & Jaworski L.L.P.
 Lead Manager: Bank of America Merrill Lynch, Dallas, TX

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COMPUTED ON BASIS OF MANDATORY REDEMPTION

DEBT SERVICE FUND MANAGEMENT INDEX

G.O. Debt Service Requirements for
 fiscal year-ending 09/30/2009 \$2,735,189
 I&S Fds all G.O. issues 09/30/2008 \$482,990
 2009 I&S Fund Tax Levy @ 90% 1,674,677
 Utility 609,026

Use of Proceeds: Refunding.

SELF SUPPORTING DEBT

The September 30, 2008 Audit reports the following General Obligation Debt being paid from revenues other than ad valorem taxes: thus considered self-supporting.

Call Option: Non Callable

Source	Amount of Debt
-----	-----
Utility	\$5,106,800

Term Call: Term bonds maturing on 02/15/2019:

Mandatory Redemption Date	Principal Amount
02/15/2010	\$305,000
02/15/2011	\$280,000
02/15/2012	\$290,000
02/15/2013	\$300,000
02/15/2014	\$310,000
02/15/2015	\$320,000
02/15/2016	\$330,000
02/15/2017	\$340,000
02/15/2018	\$350,000
02/15/2019	\$360,000

GENERAL OBLIGATION BONDS AUTHORIZED BUT UNISSUED

Election Date	Purpose	Amount Authorized	Issued To Date	Unissued
08/01/81	Fire Station	\$200,000	\$0	\$200,000
08/01/81	Solid Waste	450,000	250,000	200,000
08/01/81	Street	7,000,000	2,200,000	4,800,000
08/01/81	Right of Way	1,170,000	130,000	1,040,000
08/01/81	Water	1,500,000	0	1,500,000
08/01/81	Sewer Impr	500,000	0	500,000
Total:		\$10,820,000	\$2,580,000	\$8,240,000*

This issue defeased mty(s) 2/15/2010-2/15/2016, 2/15/2019 of Tax & WW & SS (Ltd Pledge) Rev C/O Ser 99 @ par.

*Due to the fact that the authorization date from 1981, and have never been used, State law may prohibit its issuance. In any event, the City has no plans to issue such Bonds.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2019T	3,185,000.00	3.050%	N/A
-----\$3,185,000.00			
GRAND TOTAL	-----> \$24,285,000.00		

PENSION FUND LIABILITY

All qualified employees of the City are members of the Texas Municipal Retirement System. The City employees also participate in the U.S. Social Security program.

BOND DEBT SERVICE

Period Ending	Principal	Interest	Debt Service
09/30/2009	1,750,000.00	985,189.46	2,735,189.46
09/30/2010	1,630,000.00	862,902.84	2,492,902.84
09/30/2011	1,665,000.00	834,156.38	2,499,156.38
09/30/2012	1,735,000.00	770,296.78	2,505,296.78
09/30/2013	1,815,000.00	701,939.28	2,516,939.28
09/30/2014	1,825,000.00	630,172.25	2,455,172.25
09/30/2015	1,520,000.00	561,810.63	2,081,810.63
09/30/2016	1,600,000.00	495,975.98	2,095,975.98

Changes in Texas Municipal Retirement System (TMRS) Actuarial Method and Plan Assumptions

In early 2007, TMRS informed each of the member cities that the current actuarial assumptions did not take into account updated service credits or cost of living increases which are granted to retirees. These benefits, which some cities adopted, have been historically funded on a pay-as-you-go basis. This has led to regular increases in member cities' rates and a decrease in the overall funding of the retirement system. TMRS announced that it intended to

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study the impact of these benefit components and make potential changes in the way benefits are being funded.

After careful deliberation, the TMRS board approved several changes at its November and December meetings to the actuarial methods and plan assumptions. The board changed the actuarial method from unit credit to projected unit credit. Projected unit credit will allow the actuaries to consider the future financial impact of updated service credits and cost of living increases, and these benefits will begin to be pre-funded instead of funded on a pay-as-you-go basis. To mitigate the impact of this change, the board approved an eight year transition period. During this time, cities will be able to phase in the higher contribution rates instead of being required to fund these new rates immediately. Also, the board changed the amortization period from a 25-year open period to a 30-year closed period. Under a closed amortization period, contribution rates are higher, but a greater percentage of the unfunded balance is paid off each year. Finally, the board approved changes to the investment policy. TMRS has historically invested solely in fixed income investments. The board authorized the selection of an investment advisor to begin shifting a portion of investments into equity securities as a way to diversify the portfolio's holdings and earn higher returns than could be obtained with fixed income investments.

TMRS will inform member cities of the financial impact of these changes in 2008 after completing its annual actuarial study of the plan.

Contribution Rates (Percentage of gross covered salary)

	2010	2009
Employee:	7.00%	7.00%
Maximum Rate:	13.50%	13.50%
City:	15.01%*	13.81%*

* The City has elected a phase-in rate. See Explanation in paragraphs above. The City's Grand Total Rate without Maximum or Phase-in for 2010 was 18.55%, and 2009 was 17.69%.

Actuarial Valuation as of	12/31/2008	12/31/2007
Assets	\$13,238,540	\$12,962,443
Accrued Liabilities	\$22,835,955	\$22,587,130
(Unfunded)/Overfunded Liab.	(\$9,597,415)	(\$9,624,687)
Funded Ratio	57.97%	57.39%
Annual Covered Payroll	\$7,583,480	\$7,286,011
(Unfunded)/Overfunded Liability as a % of Covered Payroll	126.56%	132.10%

2008 Source: Texas Municipal Retirement System 12/31/2008 CAFR
2007 Source: City of Terrell 09/30/2008 Audit

NON-FUNDED DEBT PAYABLE (As of September 30, 2008)

The City reports additional debt in the principal amount of \$2,787,711 under Eco Dev Corp and \$1,932,570 under Govt Activities as follows:

	Amount Outstanding	Int Rate	Reported Under
Notes	\$2,787,711	4.49%	Eco Dev Corp
Notes	\$869,943	3.48-4.59%	Govt Activities
Compensated Absences	\$1,062,627	N/A	Govt Activities

DEFICIT FUND BALANCE The Insurance Internal Service Fund had a deficit equity balance of \$39,395, and the Certificates of Obligation Tax and Revenue Series 2002 Fund had a deficit equity balance of \$74,214 as of September 30, 2008. The deficit equity balances will be covered by future transfers from the General Fund.

ESTIMATED OVERLAPPING DEBT STATEMENT

Taxing Body	Net Debt			Amount Ovlpg
	Amount	As Of	%Ovlpg	
Kaufman Co	\$18,100,000	* 01/31/10	18.64	\$3,373,840
Terrell ISD	40,638,448	* 01/31/10	76.91	31,255,031
Total Net Overlapping Debt:				\$34,628,871
Terrell, City of		01/31/09		\$16,833,360
Total Direct and Overlapping Debt:				\$51,462,231
Total Direct and Overlapping Debt % of A.V.:				5.03%
Total Direct and Overlapping Debt % of Capita:				\$2,782

* Gross Debt

ECONOMIC BACKGROUND

The City of Terrell is the principal commercial center of Kaufman County, located at the intersection of U.S. Highway 80 and State Highway 34, and is approximately 35 miles east of downtown Dallas. The City's 2000 Census was 13,606, increasing 8.94% since 1990.

COUNTY CHARACTERISTICS: Kaufman County is a northeast Texas county traversed by Interstate Highway 20, U.S. Highways 80 and 175 and State Highways 34, 243, and 274. The County was the state's 6th leading producer of soybeans for 2006. Cedar Creek Lake offers excellent camping and boating facilities. Lake Ray Hubbard and the surrounding area includes marinas and leisure homes.

COUNTY SEAT: Kaufman

2008 population estimate: 96,373 increasing 35.1 % since 2000
2000 census: 71,313 increasing 36.6 % since 1990
1990 census: 52,220

ECONOMIC BASE

Mineral: stone, sand, Oil and gas.

Industry: varied manufacturing, government and antique center.

Agricultural: wheat, Sorghums, sheep, Peaches, oats, nursery crops, horses, Hay, goats, cotton and beef cattle.

RETAIL SALES & EFFECTIVE BUYING INCOME*

Year	2008	2007
Retail Sales	\$1.7B	\$1.4B
Effective Buying Income (EBI)	\$1.8B	\$1.7B
County Median Household Income	\$44,957	\$44,546
State Median Household Income	\$40,318	\$40,078
% of Households with EBI below \$25K	23.1 %	22.9 %
% of Households with EBI above \$25K	70.8 %	71.1 %

EMPLOYMENT DATA

2008		2007		2006	
Employed	Earnings	Employed	Earnings	Employed	Earnings
1st Q: 26,450	\$218.7M	26,510	\$215.0M	25,393	\$195.6M
2nd Q: 26,602	\$215.2M	26,459	\$207.8M	26,052	\$191.6M
3rd Q: 26,106	\$209.2M	26,100	\$206.9M	26,386	\$204.0M
4th Q: 26,220	\$222.0M	26,723	\$217.5M	25,313	\$200.1M

MAJOR COLLEGES AND UNIVERSITIES: Southwestern Christian College

COLLEGES AND UNIVERSITIES

Year	Total	Fall Enrollment
2008	1	202

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* DemographicsUSA County Edition

Any data on population, value added by manufacturing or production of minerals or agricultural products are from US Census or other official sources.

Principal Taxpayers	2009 AV	% of AV
1. GoodYear Tire & Rubber Co Sales	\$50,015,437	4.89%
2. Autozone Inc Dept. 8808 Auto Parts Retail	32,283,941	3.16%
3. Wal-Mart Stores 01-265 Discount Retail	30,576,217	2.99%
4. Paslode Land/Improvements	21,083,056	2.06%
5. Venus Initiative LLC Autozone	19,181,200	1.88%
6. Wal-Mart Stores LP Discount Retail	18,413,918	1.80%
7. Nucor Corp. Steel Building Manufacturer	17,556,971	1.72%
8. Madix, Inc. Shelving & Display Manufacturing	17,447,122	1.71%
9. Istar GT LP Commercial Real Estate	16,792,170	1.64%
10. Tanger Properties Ltd Outlet Shopping Center	13,026,000	1.27%
Total:	\$236,376,032	23.11%*

* Rounding differences

FINANCE CONNECTED OFFICIALS

Mayor

Hal Richards
201 East Nash St.
P.O. Box 310
Terrell, TX 75160-0310
Phone: 972-551-6600
Fax: 972-551-6682
hrichards@cityofterrell.org

City Manager

Torry Edwards
201 East Nash St.
P.O. Box 310
Terrell, TX 75160-0310
Phone: 972-551-6600
Fax: 972-551-6682
tedwards@cityofterrell.org

City Secretary/Fin. Director

John Rounsavall
201 East Nash St.
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Fax: 972-551-6682
jrounsavall@cityofterrell.org

Tax Assessor/Collector

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Kaufman County Tax Office
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Phone: 972-932-4331
Fax: 972-932-1413

dm@kaufmancounty.net

Chief Appraiser
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Kaufman County Appraisal District
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