

PROPOSAL TO:



CRANE ELEMENTARY SCHOOL DISTRICT NO. 13

AS A MEMBER OF THE YUMA EDUCATIONAL PURCHASING ASSOCIATION (YEPA) AND THE STRATEGIC ALLIANCE OF VOLUME EXPENDITURES (SAVE) COOPERATIVE

TO PROVIDE INVESTMENT BANKING SERVICES

RESPONSE TO REQUEST FOR PROPOSAL: #C-007-1213

DUE: TUESDAY, MAY 14, 2013 AT 2:00 P.M. MST

PROPOSAL EFFECTIVE AS OF THE DATE OF THIS RESPONSE
AND THE CONTRACT PERIOD IS JULY 2013 THROUGH JUNE 2014
WITH OPTIONAL RENEWAL FOR FOUR (4) ADDITIONAL YEARS

STIFEL CONTACT:

ROBERT A. CASILLAS, MANAGING DIRECTOR
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STIFEL

May 14, 2013

Members of the Crane Elementary School District No. 13
Governing Board
c/o Ms. Jennifer Bosch
Procurement Manager
4250 West 16th Street
Yuma, Arizona 85364

Dear Ms. Bosch:

On behalf of Stifel Nicolaus & Company, Incorporated, formally known as Stone & Youngberg, a Division of Stifel Nicolaus (“Stifel” or the “Firm”), we appreciate the opportunity to respond to the Request for Proposal #C-007-1213 (the “RFP”) and we are pleased to submit our credentials to serve Crane Elementary School District No. 13 (the “District”) and other members of the Strategic Alliance for Volume Expenditures (“SAVE”) and the Yuma Educational Purchasing Association (“YEPA”). Stifel (pronounced Stee-fuhl), a wholly owned subsidiary of Stifel Financial Corp., was founded in 1890. Stifel is one of the largest full-service broker dealers in the country, providing public finance and corporate finance investment banking and advisory services; brokerage, trading and sales operations; investment advising and related financial services to individuals, institutions, governments and corporations. The success of our endeavors can be attributed to the Firm’s commitment to invest in the resources clients need to achieve their objectives. Following are highlights of our proposal and reasons we believe Arizona school districts and municipalities routinely select our Firm to serve their capital financing needs.

- **Resources.** The expertise of our professionals is the driving force behind our service capabilities. Stifel is the leading school specialist in Arizona municipal finance. Our Phoenix office bankers have more than 100 years of experience in the State. Stifel has become one of Arizona’s top underwriters of tax-exempt long-term municipal bonds by delivering top-tier investment banking services and effectively deploying the underwriting and investment banking resources that result in low bond interest rates and quality financing terms for our school district and other Arizona municipal clients. A brief synopsis of our resources is provided below:
 - *Total capital of over \$1.2 billion with ability to underwrite over \$5.4 billion of unsold balances*
 - *Over 310 branch offices nationwide with approximately 1,900 brokers covering over 685,000 accounts with over \$137 billion in retail assets under management*
 - *Arizona focus: 10 public finance professionals in the Phoenix office, 4 retail offices with 16 brokers and approximately \$1.1 billion in retail assets under management in Arizona*
 - *52-member municipal institutional sales and trading team dedicated entirely to municipal finance covering over 4,000 accounts nationwide*

Stifel has the largest municipal finance trading and underwriting operation on the West Coast. This strong regional presence enables our team to provide the District with unmatched knowledge of the Arizona municipal market.

When reviewing our qualifications please consider the following:

- **No. 1 Underwriter in Arizona and Nationally for K-12 School Finance.** Stifel is a leader in providing underwriting services for school districts. Our long-term commitment to school district finance allows us to have a research team and sales force well versed in Arizona school district credits and financing vehicles. In 2012, we were the #1 underwriter of K-12 general obligation (“GO”) bond issues in Arizona, as well as the #1 K-12 school GO underwriter nationally from 2011-2012 by par amount. Our sector specific expertise and national investor distribution will benefit the District in securing the lowest cost of borrowing for its bonds.
- **Leading Arizona School District Finance Experts.** The Firm’s service capacity extends beyond traditional investment banking through the use of our school capital finance experts, lead by Dr. Judy Richardson and Randie Stein, who work closely with staff to assist with strategic facilities planning. Most districts consider this expert finance duo an invaluable resource for assisting with their capital finance and legislative questions and issues. Our bankers continue to assist school districts each year with override elections; as well as Students FIRST consulting services; and drafting and amending proposed legislation that may impact Arizona school districts. Our team is also able to develop innovative financing structures tailored to the unique circumstances of each project. We work collaboratively with issuer clients to find the optimal accommodation of sound public policy, market-acceptable structures and low-cost financing. In addition, our Firm monitors SFB decisions and policies, giving us additional school finance insight to further our clients strategic planning. We are confident no other firm can provide the District with the wide array of services Stifel is in position to provide.
- **Senior Banking Depth.** Five senior bankers with continuous service to Arizona school districts and other Arizona municipal issuers for well over 100 collective years lead our financing team’s efforts. Since January 2008, we assisted Arizona school districts with more than 220 financings for over \$3.9 billion and approximately 50 Class B bond elections for well over \$2.1 billion and provided added value services throughout each year. Our continuous immersion allows us to stay closely tuned to the evolving capital finance related needs of Arizona school districts. Our senior banking team is distinguished by their added value service capabilities. The expertise of more than 90 additional bankers in other Firm offices are also drawn upon as needed.
- **Value Added Services.** Stifel provides the traditional investment banking services described within the scope of services in the RFP plus to a host of value added services our Arizona school district clients and other public agencies have come to rely upon. These value added service are available to the District, and other SAVE and YEPA members. The following value added services are provided at no added cost over our basic underwriting and financial advisory fee.
 - Capital Finance and SFB Funding Issues Updates and Reports
 - Legislative Updates and Drafting Assistance
 - Exclusive “Lunch at the Ritz” and Other Topical Seminars
 - Elections Results Reporting, Analysis and Strategic Advice

- **Underwriting Capability.** The most important function of an underwriter is the structuring, pricing and sale of bonds. Stifel has the largest municipal finance trading and underwriting operation on the West Coast, operated out of our San Francisco and Denver offices. Our consistent market presence gives us the ability to develop effective marketing plans by leveraging our long-term relationships with the most important retail and institutional buyers of municipal bonds, thereby providing our school district clients with optimal underwriting results. This unmatched market access and knowledge will deliver highly efficient financing structures and low borrowing costs for the District. As of December 31, 2012, our excess net capital position is \$400 million giving us the ability to underwrite up to a maximum par amount of \$5.4 billion at any given time.
- **On-the-Market Pricing.** Stifel's underwriting and trading volume ensures that we provide our clients with both on-the-market pricing at issuance and ongoing liquidity in the secondary market. We were one of the first underwriting firms in the country to offer transparent bond pricing that gives our clients access to the same order flow monitor used by our trading desk. This tool provides our issuer clients and their financial advisors with a direct view of the order flow on the morning of pricing from any computer with Internet access and evidences our commitment to promote price transparency.
- **Community and School Advocacy Group Involvement.** In addition to being the number one underwriter of K-12 GO school district issues in Arizona and nationally (by par amount), Stifel strives to give back to the communities we serve. The Firm currently participates in community involvement or charitable donations to over 100 different organizations across the country. We also share our success by committing significant capital and human resources, through programs, sponsorships and numerous educational presentations, to support organizations valued by our school district clients including ASBO, AASBO and ASBA, as well as other support organizations for our public agency clients.

Stifel has earned a reputation for providing honest, thoughtful, energetic service to our clients, and we look forward to assisting the District and other members of the SAVE and YEPA consortiums in the same manner. Stifel appreciates the District's consideration of our proposal and are available to answer any questions regarding our credentials and qualifications. Stifel will give this effort our highest commitment and look forward to earning your business.

Sincerely,

Stifel, Nicolaus & Company, Incorporated



Robert Casillas
Managing Director



Grant Hamill
Managing Director



Mike LaVallee
Managing Director



Bryan Lundberg
Managing Director



Mark Reader
Managing Director



Judy Richardson
Vice President



Randie Stein
Vice President

Ms. Jennifer Bosch
Procurement Manager
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Disclosure

Additional Information

This material contains proposed terms and conditions that are indicative and for discussion purposes only. Finalized terms and conditions are subject to further discussion and negotiation and Stifel does not guarantee that all financing options will be available at the time of the contemplated transaction. Where indicated, this presentation may contain information derived from sources other than Stifel. While we believe such information to be accurate and complete, Stifel does not guarantee the accuracy of this information. This material is based on information currently available to Stifel Nicolaus or its sources and we do not undertake to update the recipient of this presentation of changes that may occur in the future. Stifel does not provide accounting, tax or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and /or counsel.

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TAB 1 - THE FIRM

1. Firm department organization and management relative to serving YEPA and SAVE members.
2. Qualifications and experience of your firm providing similar services of this nature. Include in this section, relevant general obligation and other debt obligation financings for Arizona school districts, municipalities, state agencies, etc. The District considers Arizona experience most relevant.
3. Report the fee paid, if any, by the Firm to persons who are not employees to obtain business from the District. With respect to the parameters of the MSRB Rule G-37, disclose any political contributions within the past two years to any official of the District. Within the past 5 years, has your firm and/or any of its principals been the subject of any investigation relating to the municipal industry SEC, NASD, NYSE or any other Federal organization that oversees, regulates, licenses or is otherwise responsible for the municipal industry? Within the past 5 years, has your firm and/or any of its principals been involved in any litigation, arbitration, disciplinary or other action arising from the Firm's underwriting, management or handling of municipal securities?

Stifel, Nicolaus & Company, Incorporated ("Stifel" or the "Firm") is in compliance with the stated mandatory requirements regarding:

1. Evidence of successful financial services in the sale of bonds or debt obligations for Arizona school districts;
2. Public finance office located in Arizona over the last five years and public finance officers with a Series 53 or 24 licenses;
3. Evidence of capabilities in debt structuring, advising and issuance of bonds for school districts;
4. Evidence of liability and errors and omissions insurance or self insurance in the minimum amount of \$1 million.

EQUAL OPPORTUNITY EMPLOYER

Stifel is an equal opportunity employer and complies with all applicable Federal and State anti-discrimination provisions. The Firm is cognizant of the need for sensitivity training in regards to sexual harassment and the Firm has conducted trainings on the topic. Below are sections taken from the Firm's Associate Handbook as of February 2013:

"Stifel is committed to providing equal employment opportunities (EEO) to all associates and applicants for employment without regard to race, color, religion, creed, gender or sexual orientation, gender identity, national origin, ancestry, age, disability, weight, genetic information, marital status, citizen status, status as a covered veteran or any other protected criteria in accordance with applicable federal, state and local laws. Stifel complies with applicable state and local laws governing non-discrimination in employment applicable to each location in which the Firm operates. Stifel strictly prohibits any form of unlawful discrimination."

Introduction to Stifel. In the 3rd quarter of 2011, Stone & Youngberg was acquired by Stifel, Nicolaus & Company, Incorporated. Stifel (known as Stone & Youngberg, a Division of Stifel Nicolaus from October 2011 through April 2013) is Arizona's leading investment banking firm specializing in fixed income securities and serving as an underwriter of municipal bonds for school districts and other public agencies.

The combined organization has one of the largest municipal divisions in the country. The merger represents a significant enhancement to our municipal banking, underwriting and trading divisions, as well as our distribution and overall resources. We remain the West Coast's largest investment banking operation specializing in municipal securities, while our national footprint has been expanded to a team that consists of over 5,400 employees, including approximately 1,900



retail brokers in over 310 offices. As such, we now rank as one of the largest standalone investment banks in the country.

Public Finance is a core line of business for Stifel and we are committed to dedicating all resources available to best serve our clients' needs. Stifel's approach to public finance is one of long-term client relationships, which sets this firm apart from many of our "transactionally" motivated industry peers. Every bond issue we work on is unique and has specific strengths and challenges. We take it as our personal mission to maximize those strengths and tackle the challenges head on. Stifel believes that this approach to doing business provides our clients with the best possible pricing results and unsurpassed ongoing services. Our banking force now includes more than 95 experienced public finance professionals in 18 offices located in 15 states throughout the U.S. as shown on the previous page.

The Arizona office was opened in 2002. Bob Casillas, Grant Hamill, Mike LaVallee, Bryan Lundberg, Erika Miller, Sandra Park, Judy Richardson and Randie Stein have been providing investment banking and consulting services to school districts, the Arizona School Facilities Board, universities, cities, towns, counties and special districts for more than 25 years. The Firm is committed to Arizona school district finance, as well as other public agencies, and offers more diverse services to districts than any other firm.

Below is a summary of our Arizona Senior Managed and Co-Managed financing experience.

Stifel Nicolaus & Company, Incorporated Arizona Financings						
	2012		2011		2010	
	Number	Par Amount	Number	Par Amount	Number	Par Amount
Senior Manager/Placement Agent	50	\$ 556,355,396	51	\$ 426,986,074	59	\$ 486,250,500
Co-Manager	13	864,705,000	15	1,178,445,000	13	1,539,395,000
Financial Advisor	9	171,049,854	9	225,503,180	22	358,812,419
Total	72	\$ 1,592,110,250	75	\$ 1,830,934,254	94	\$ 2,384,457,919

Source: SDC and Firm records.

Below is a summary of our National Senior Managed and Co-Managed underwriting experience.

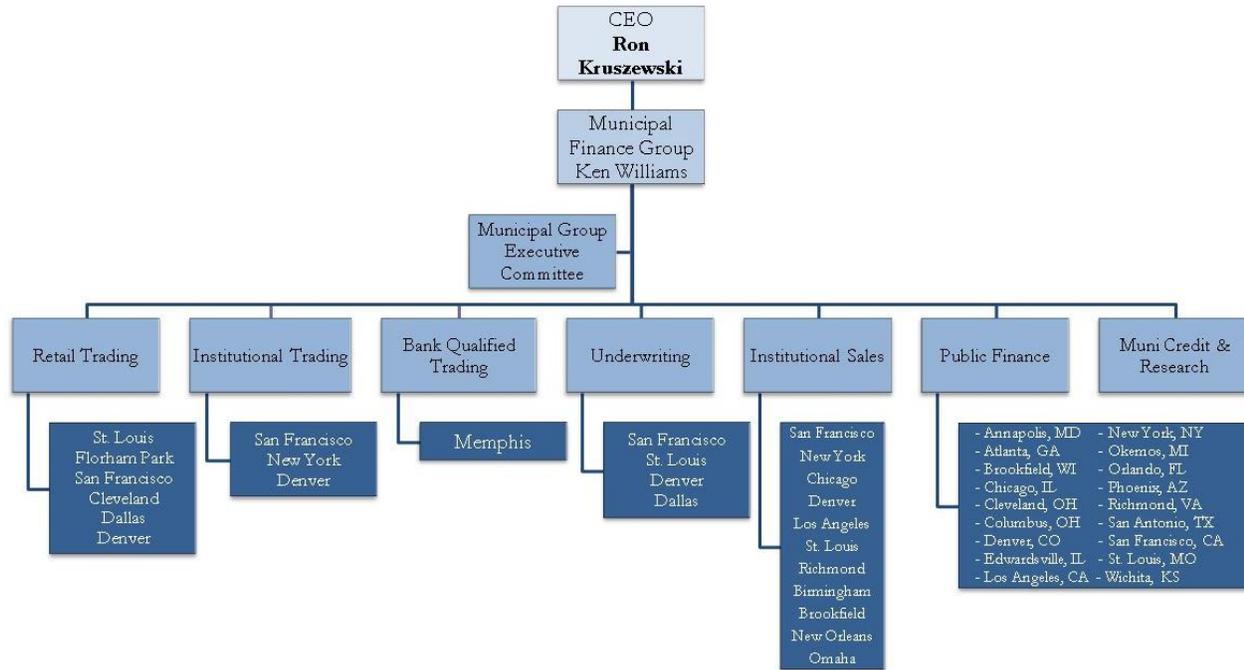
Stifel Nicolaus & Company, Incorporated Negotiated Underwritings						
	2012		2011		2010	
	Number	Par Amount	Number	Par Amount	Number	Par Amount
Senior Manager/Placement Agent	487	\$ 9,518,090,000	464	\$ 9,647,745,000	593	\$ 10,785,975,000
Co-Manager	162	52,576,193,000	142	32,409,596,000	302	77,386,421,000
Total	649	\$ 62,094,283,000	606	\$ 42,057,341,000	895	\$ 88,172,396,000

Stifel Nicolaus & Company, Incorporated Competitive Underwritings						
	2012		2011		2010	
	Number	Par Amount	Number	Par Amount	Number	Par Amount
Senior Manager	116	\$ 835,845,000	76	\$ 629,542,000	94	\$ 1,088,285,000
Co-Manager	303	4,596,823,000	324	3,707,831,000	397	6,557,214,000
Total	419	\$ 5,432,668,000	400	\$ 4,337,373,000	491	\$ 7,645,499,000

Source: SDC and Firm records.

Stifel Departmental Organization. The entire municipal securities operation of Stifel, now led by Kenneth E. Williams, formerly the President and CEO of Stone & Youngberg, is comprised of three primary divisions: (i) Public Finance, comprising the bankers covering local government entities, (ii) Institutional Sales and Trading, comprising all primary market underwriting and secondary market institutional trading of municipal securities, variable rate remarketing, and institutional sales activity, and (iii) Retail Trading, comprising all municipal trading activity for individual or retail investors.

The organizational chart below indicates the location of the public finance department within Stifel Financial Corp. Stifel’s dedication to Arizona enables our bankers, underwriters and sales professionals to understand the intricacies and unique features of Arizona public law and the local municipal market. Shown below is how the Firm is organized to serve the District and other public agency issuers in Arizona.

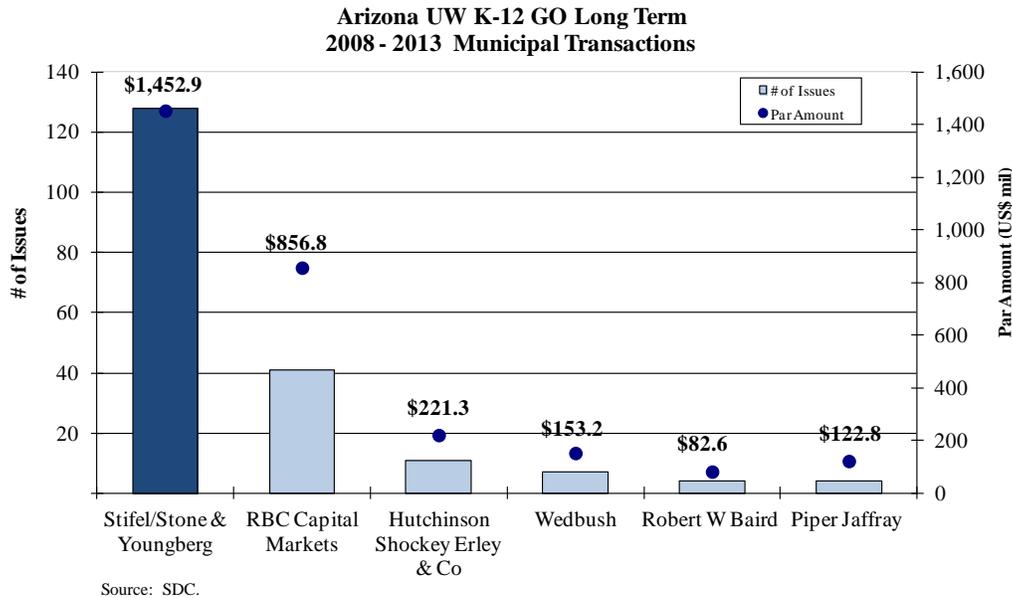


INVESTMENT BANKING EXPERIENCE WITH ARIZONA SCHOOL DISTRICTS

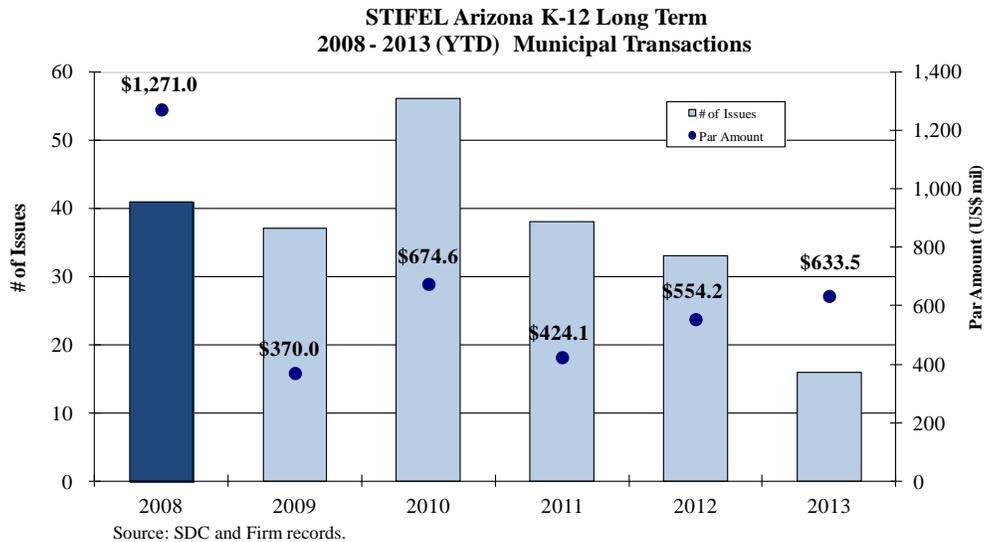
Dedication to School District Finance. School district finance is one of the most important sectors of our business. For this reason, we have a dedicated School Finance Group whose purpose is to work exclusively with school districts. Members of this group are experts in the field of education finance and are continually involved in all aspects of school finance. Stifel’s work with school districts includes general obligation bonds and notes, certificates of participation and lease revenue bonds, and QSCB, QZAB, and CREB tax credit bonds. Due to this dedication and experience, Stifel is a leader in providing underwriting services for school districts. Our long-term commitment to school district finance allows us to have a research team, sales force, and client base well-versed in school district credits and financing vehicles. *In 2012, we were the #1 underwriter of K-12 GO issues by par amount and ranked #3 by number of issues in the country.* Our sector specific expertise and national investor distribution will benefit the District in securing the lowest cost of borrowing for its bonds.

Stifel Arizona Municipal Experience. Stifel has extensive experience underwriting and marketing Arizona financings. Our success is a result of the coordinated involvement of the Firm’s seasoned banking staff, underwriters, and retail and institutional sales representatives working together to educate investors on the credit and structure of financings underwritten by Stifel. This experience is unmatched by the other firms under consideration by the District, and allows Stifel to achieve the lowest cost of borrowing for our clients. Our professionals are constantly evaluating and reevaluating products, offerings and alternative investor options that have the potential to increase the efficiency of our clients’ financings. Our Phoenix office assists with the vast majority of Arizona school district bond financings, bond elections and critical finance issues each year.

Since January 2008, the Firm’s Arizona office has been underwriter with more than 125 Arizona school district bond issues for over \$1.4 billion, leading all firms for several years running. The graph below illustrates the underwriting rankings based on the number of issues from January 2008 through April 2013.



Our office works with issuers of all sizes and our deals have ranged from under \$500,000 to more than \$50 million. The table below breaks down the underwriting, financial advisor and placement agent experience since 2008 for K-12 Arizona school districts.



**K-12 School Arizona School District Experience
(January 2008 to April 2013 (a))**

Stifel Role	No. of Issues	Par Amount (\$000)
Underwriter	157	\$1,817,440
Financial Advisor	23	206,564
Placement Agent	41	1,903,512
	221	\$3,927,516

Source: SDC and Firm records.

(a) Transactions priced as of April 30, 2013.

Stifel is an experienced financial advisor and underwriter to school districts, community college districts and public and private universities. Our experience with school districts includes developing master financing and election plans, advising on capital funding alternatives, and assisting with the sale of tax-exempt debt including general obligation bonds, leases, certificates of participation, Qualified School Construction Bonds, Qualified Zone Academy Bonds, Impact Aid revenue bonds and bond refundings or restructurings.

Below is a table summarizing and detailing the Firm’s Arizona school bond issue experience over since January 2008 by year.

**Arizona School Bond Issue Experience – All Roles
Summary of Statistics
(January 2008 to April 2013)**

Year	# of Issues	Par Amount (\$000)
2013 (a)	16	\$633,530
2012	33	554,232
2011	38	424,140
2010	56	674,609
2009	37	370,035
2008	41	1,270,970
TOTAL:	221	\$3,927,516

Source: SDC and Firm records.

(a) Transactions priced as of April 30, 2013.

DEMONSTRATED ABILITY TO DISCUSS RELEVANT ISSUES

Stifel's professionals are continually immersed in solving the critical financing issues that face Arizona school districts year after year. Many solutions have required the development of unique financing structures mechanisms, and many have included legislative innovations. Following is a table detailing the Firm's experience since January 2008 with financings for Arizona school districts other than Class A or Class B bonds.

**Arizona School District Non-Traditional Debt Obligations – All Roles
Detailed List of Transactions
(January 2008 to April 2013)**

Dated Date	Issuer	Par Value (\$millions)	Stifel Role	Security Type	Sale Type
12/11/12	Crane ESD No. 13	\$3.246	PA	COP/Lease Revenue	PP
1/27/12	Higley USD No. 60	5.456	PA	COP/Lease Revenue	PP
9/25/12	Casa Grande UHSD No. 82	2.210	PA	COP/Lease Revenue	PP
11/29/11	Tombstone USD No. 1	1.673	PA	COP/Lease Revenue/QSCB	PP
9/15/11	Roosevelt ESD No. 66	5.700	Sole	COP/Lease Revenue/QSCB	Neg
9/15/11	Roosevelt ESD No. 66	0.120	Sole	COP/Lease Revenue	Neg
8/25/11	Grand Canyon USD No. 4	0.730	PA	COP/Lease Revenue/QSCB	PP
8/19/11	Sunnyside USD No. 12	1.142	PA	COP/Lease Revenue	PP
10/7/10	Arizona School Facilities Board	91.325	FA	COP/Lease Revenue	Neg
8/3/10	Arizona School Facilities Board	58.785	FA	COP/Lease Revenue	Neg
11/25/08	Arizona School Facilities Board	580.035	FA	COP/Lease Revenue	Neg
2/4/11	Indian Oasis-Baboquivari USD No. 40	2.098	FA	Defeasance-Impact Aid Rev	PP
7/29/10	Chandler USD No. 80	3.929	FA	Defeasance-GO	PP
5/25/10	Avondale ESD No. 44	0.405	FA	Defeasance-GO	PP
6/22/09	Dysart USD No. 89	2.680	FA	Defeasance-GO	PP
12/15/10	Scottsdale USD No. 48	24.000	Sole	General Obligation-BAB	Neg
7/14/10	Tucson USD No. 1	67.230	FA	General Obligation-BAB	Neg
6/9/10	Buckeye UHSD No. 201	8.105	Sole	General Obligation-BAB	Neg
6/3/10	Catalina Foothills USD No. 16	9.725	Sole	General Obligation-BAB	Neg
5/20/10	Sahuarita USD No. 30	21.465	Sole	General Obligation-BAB	Neg
4/15/10	Riverside ESD No. 2	7.545	Sole	General Obligation-BAB	Neg
3/24/10	Tanque Verde USD No. 13	11.785	Sole	General Obligation-BAB	Neg
3/17/10	Vail USD No. 20	6.880	Sole	General Obligation-BAB	Neg
2/25/10	Queen Creek USD No. 95	8.735	Sole	General Obligation-BAB	Neg
2/10/10	Deer Valley USD No. 97	20.750	Co	General Obligation-BAB	Neg
6/29/09	Sedona-Oak Creek Joint USD No. 9	17.835	Sole	General Obligation-BAB	Neg
6/17/09	Deer Valley USD No. 97	17.000	Co	General Obligation-BAB	Neg
3/29/11	Chandler USD No. 80	25.000	Sole	General Obligation-QSCB	Neg
2/10/11	Paradise Valley USD No. 69	24.025	FA	General Obligation-QSCB	Neg
12/15/10	Scottsdale USD No. 48	25.000	Sole	General Obligation-QSCB	Neg
8/3/10	Roosevelt ESD No. 66	38.000	Sole	General Obligation-QSCB	Neg
7/29/10	Littleton ESD No. 65	4.600	Sole	General Obligation-QSCB	Neg
11/28/11	Window Rock USD No.8	0.350	Sole	Impact Aid Revenue	Neg
2/17/09	Winslow USD No. 1	2.860	Sole	Impact Aid Revenue	Neg
6/2/09	Grand Canyon USD No. 4	0.955	FA	Judgment Obligation	PP
4/11/13	Arizona School Facilities Board	316.165	FA	Revenue	Neg
5/12/11	Continental ESD No. 39	2.000	Sole	Stepped Coupon	Neg
TOTAL:	37 Issues	\$1,419.544			

Source: SDC and Firm records.

Please see APPENDIX C for a complete listing of the Firm's Arizona financing experience.

Build America Bonds (BAB)/Qualified School Construction Bonds (QSCB). Stifel has worked with 20 school districts in Arizona on Build America Bond and Qualified School Construction Bond financings. This includes working with Scottsdale Unified School District, Chandler Unified School District and Paradise Valley Unified School District to issue Qualified School Construction Bonds in the past year.

Energy Savings Lease Purchase Agreements. Stifel has assisted multiple school districts, acting as Placement Agent, in finding financing for energy saving lease purchase projects. Our team identifies and solicits pricing quotes from many investors and facilitates the transaction with all parties. We assist the issuer in identifying the financing with the best terms including interest rate, prepayment terms and other details in the agreement. Examples of this include saving Sunnyside Unified School District over \$100,000 more than the District using the MOHAVE consortium for the same financing. Another example includes saving Higley Unified School District over \$240,000 in interest costs (net of all fees) versus sole sourcing the financing with the energy vendor. See APPENDIX A.

Certificates of Participation/Lease Revenue. Stifel has a strong presence in structuring lease financings in the form of certificates of participation (“COP”), thereby opening up this well-established form of capital financing to a large network of investors. This is evident in the number of such issues our Firm has structured. From January 2008 to April 2013, Stifel has assisted in the issuance of more than 25 COP/lease revenue financings as sole, lead, co-senior manager, placement agent or financial advisor, including three issues for the City of Tucson in June 2011 and two COP/Lease Revenue issues in 2010 for the Arizona School Facilities Board totaling \$150 million (\$91 million in QSCBs). As a result, Stifel ranks among the market leaders in this area of municipal finance. Our experience is widespread, having structured simple certificates of participation issues to complex asset transfer structures utilizing multiple cash flow streams.

Stifel Arizona School District Bond Election Experience. Since 2008, the bankers of Stifel Arizona office have been involved in 49 Class B bond elections totaling in excess of \$2.1 billion for Arizona school districts as indicated in the following table:

Election Year	Issuer	Principal Amount
2012	Mesa USD No. 4	\$230,000,000
2012	Peoria USD No. 11	180,000,000
2012	Seligman USD No. 40	2,500,000
2012	Western Maricopa Education Center No. 402	74,900,000
2012	Wilson ESD No. 7	3,600,000
2011	Agua Fria UHSD No. 216	31,600,000
2011	Balsz ESD No. 31	21,000,000
2011	Casa Grande ESD No. 4	29,000,000
2011	Glendale ESD No. 40	28,285,000
2011	Glendale UHSD No. 205	80,000,000
2011	Nogales USD No. 1	7,800,000
2011	Oracle ESD No. 2	13,000,000
2011	Paradise Valley USD No. 69	203,000,000
2011	Phoenix UHSD No. 210	230,000,000
2011	Riverside ESD No. 2	25,000,000
2011	Sunnyside USD No. 12	88,000,000
2011	Willcox USD No. 7	12,300,000
2010	Cartwright ESD No. 83	27,815,000
2010	Chandler USD No. 80	84,315,000
2010	Continental ESD No. 39	16,000,000
2010	Gila Bend USD No. 24	4,900,000
2010	Marana USD No. 6	43,000,000
2010	Phoenix ESD No. 1	20,200,000
2010	Queen Creek USD No. 95	15,000,000
2010	Santa Cruz Valley UHSD No. 840	6,800,000
2010	Scottsdale USD No. 48	118,000,000
2010	Willcox USD No. 7	15,000,000
2010	Williams USD No. 2	5,500,000
2009	Beaver Creek ESD No. 26	3,275,000

Election Year	Issuer	Principal Amount
2009	Catalina Foothills USD No. 16	\$22,825,000
2009	Douglas USD No. 27	7,430,000
2009	Gila Bend USD No. 24	7,500,000
2009	Litchfield ESD No. 79	20,000,000
2009	Littleton ESD No. 65	7,600,000
2009	Saddle Mountain USD No. 90	12,000,000
2009	Sahuarita USD No. 30	27,000,000
2009	Tanque Verde USD No. 13	14,000,000
2009	Vail USD No. 20	15,000,000
2008	Bagdad USD No. 20	3,000,000
2008	Buckeye ESD No. 201	23,000,000
2008	Coolidge USD No. 21	55,000,000
2008	Deer Valley USD No. 97	148,000,000
2008	Flowing Wells USD No. 8	19,900,000
2008	Herber-Overgaard USD No. 6	10,215,000
2008	Laveen ESD No. 59	49,000,000
2008	Littlefield USD No. 9	1,600,000
2008	Murphy ESD No. 21	9,000,000
2008	Snowflake USD No. 5	3,900,000
2008	Tempe UHSD No. 213	30,000,000
2008	Toltec ESD No. 22	4,000,000
TOTAL:	49 Elections	\$2,109,760,000

Source: Firm records.

It is important to mention that all but a small number of the Class B bond elections that have taken place in Arizona have been assisted by the bankers on the Stifel team. The bankers at Stifel are well equipped with the expertise to successfully assist the District with its elections.

Stifel Arizona School District Override Election and Consulting Experience. A major portion of the services we provide relate to critical issues with capital finance, override elections and taxes of Arizona school districts. These consulting services are provided by consultants Dr. Judy Richardson, Ms. Randie Stein and other Stifel bankers. **We work on an average of 30 override elections per year.**

Professional development. Providing education internally and externally is an important part of our office culture. An average of eight internal sessions are held each year. Past topics have included elections trainings, GASB 54, school capital and budgeting, legislative website review and bond document overviews. We also offer professional development to our clients. Our professional staff has presented at AASBO, ASA and to numerous other groups regarding property taxes, elections and other topics our clients have requested. Our office also presents multiple sessions at the AASBO summer conferences annually. See APPENDIX A for examples of our presentations.

In addition to being thorough with our personnel coverage, Stifel is thorough in our method of approach and our execution on all levels of a financing. Our ability to maintain industry leadership is the result of aggressive pricing performance, diligent analysis and marketing efforts and pricing transparency. This regular market presence enhances our development of effective marketing plans by leveraging our long-term relationships with the most important retail and institutional buyers of locally issued bonds. This consistently results in optimal pricing results for our clients. This level of market presence also gives Stifel an edge on the day of pricing. Our underwriting team is intimately familiar with the market for Arizona securities and, consequently, able to find the efficient pricing point for Arizona transactions.

The following services are executed for each of our engagements and are further discussed in TAB 3:

- EDUCATING/PREPARING STAFF ON THE FINANCING PROCESS
- DEVELOPING THE FINANCING PLAN
- DEBT IMPLEMENTATION AND MANAGEMENT
- PREPARATION AND SUPPORT OF LEGAL AND FINANCING
- OFFICIAL STATEMENT PREPARATION
- CREDIT DUE DILIGENCE AND FINANCIAL ANALYSIS
- MARKET INFORMATION
- MARKETING PLAN AND BOND PRICING
- CLOSING DOCUMENTS REVIEW
- AID IN CLOSING
- POST-SALE ONGOING SERVICES
- ELECTION SERVICES

Other Arizona Municipal Experience. Stifel’s services are also provided to other municipal jurisdictions located throughout Arizona. The following table summarizes the Firm’s experience with debt obligations for Arizona municipal entities other than school districts.

**Arizona Municipal Jurisdictions Other than School Districts – All Roles
Summary of Statistics
(January 2008 to April 2013)**

Year	Cities/Towns/Counties		State Agencies/Universities		Special Districts	
	# of Issues	Par Value (\$000s)	# of Issues	Par Value (\$000s)	# of Issues	Par Value (\$000s)
2013 (a)	4	\$8,061	4	\$819,630	4	\$22,236
2012	29	551,663	8	465,995	2	20,220
2011	25	365,374	5	890,560	7	150,860
2010	28	296,414	6	1,418,585	5	86,175
2009	34	1,166,727	9	1,192,035	9	151,732
2008	27	540,944	6	774,230	3	16,350
TOTAL:	147	\$2,929,183	38	\$5,469,710	30	\$447,573

Source: SDC and Firm records.

(a) Transactions priced through April 30, 2013.

REGULATORY MATTERS

Report the fee paid, if any, by the Firm to persons who are not employees to obtain business from the District. With respect to the parameters of the MSRB Rule G-37, disclose any political contributions within the past two years to any official of the District.

The Firm did not pay consultants to obtain business from the District. There were no political contributions reported to the Firm, made to any official of the District.

Within the past 5 years, has your firm and/or any of its principals been the subject of any investigation relating to the municipal industry SEC, NASD, NYSE or any other Federal organization that oversees, regulates, licenses or is otherwise responsible for the municipal industry? Within the past 5 years, has your firm and/or any of its principals been involved in any litigation, arbitration, disciplinary or other action arising from the Firm’s underwriting, management or handling of municipal securities?

Stifel, Nicolaus & Company, Incorporated (“Stifel”) is an investment banking and securities firm providing investment services to individuals and institutional clients, investment banking, and related services including the day-to-day purchase and sale of securities. Stifel is a wholly-owned subsidiary of Stifel Financial Corp. (SF). In the normal course of business, at any given time, Stifel is subject to a number of claims and disputes, as well as regulatory matters including examinations, reviews, investigations, or formal actions. All required disclosures of material litigation and regulatory matters are made in Stifel Financial Corp.’s public filings with the SEC and other regulatory authorities, such

as its Form 10-K and the most recent Form 10-Q dated November 9, 2012 filed with the U.S. Securities and Exchange Commission (the “SEC”), 8-K’s, and in other regulatory filings, such as Form B/D, as amended. You are further referred to the FINRA website, then access Broker Check reports for Stifel, Nicolaus & Company, Incorporated. This contains every regulatory report on Stifel’s disciplinary disclosures.

While we believe they do not impact the contemplated services to be provided for Crane Elementary School District or other SAVE and YEPA members regarding the Firm’s municipal finance business, the Firm discloses that our company and its subsidiaries are named in and subject to various proceedings and claims arising primarily from our securities business activities, including lawsuits, arbitration claims, class actions and regulatory matters. Some of these claims seek substantial compensatory, punitive or indeterminate damages. Our company and its subsidiaries are also involved in other reviews, investigations and proceedings by governmental and self-regulatory organizations regarding our business, which may result in adverse judgments, settlements, fines, penalties, injunctions and other relief. We are contesting the allegations in these claims, and we believe that there are meritorious defenses in each of these lawsuits, arbitrations and regulatory investigations.

The regulatory investigations include, among other things, a lawsuit filed by the SEC and inquiries from a state regulatory authority requesting information relating to our role in investments made by five southeastern Wisconsin school districts (the “school districts”) and other post-employment benefits (“OPEB”) trusts established by the school districts in transactions involving collateralized debt obligations (“CDOs”). The school districts contributed approximately \$37.5 million into the OPEB trusts, and the trusts borrowed approximately \$162.5 million from Depfa Bank, PLC. During 2006, the OPEB trusts invested \$200 million into CDO’s that were issued by the Royal Bank of Canada (“RBC”) and rated AA- by S&P.

On August 10, 2011, the SEC filed a civil action against Stifel and a former employee in Federal Court in Milwaukee, Wisconsin, alleging violations of Section 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Act of 1934 and Rule 10(b)(5) thereunder. The SEC also alleges that Stifel violated and that its former employee aided and abetted violations of Section 15(c)(1)(a) of the Securities Act of 1934. In 2008 the school districts and the OPEB trusts filed a civil lawsuit in Wisconsin State Court seeking, among other things, rescission, and damages and other relief for alleged Wisconsin securities statutes and other legal and equitable theories. The civil lawsuit was previously disclosed by Stifel Financial Corp. in public filings with the SEC. On August 11, 2011, Stifel responded publicly to the SEC lawsuit and announced that it had finalized an agreement to purchase the indebtedness of the OPEB trusts to Depfa Bank, PLC. On August 11, 2011, Stifel filed a Form 8-K reflecting these developments.

On March 19, 2012, Stifel settled the lawsuit with the school districts. A Form 8-K was filed which details the settlement. Stifel and the school districts are preparing to join in a new suit against RBC. For further information, please go to www.stifel.com.

Stifel intends to vigorously defend the SEC lawsuit and believes that it has meritorious defenses. Stifel does not believe that any of such matters will have any effect on its ability to perform the contemplated services for Crane Elementary School District or other SAVE and YEPA members.

In March 2010, as a result of a State of Missouri Securities Department investigation, Stifel entered into a Consent Order after allegations that the Firm failed to reasonably supervise an employee and Missouri-registered agent with regard to transactions involving auction rate securities (“ARS”) in certain securities accounts of three Missouri residents. Stifel consented to a censure and a fine. Additionally, Stifel reached a settlement with the North American Securities Administrators Association on behalf of the remaining states of all pending ARS claims or proceedings. Under the settlement agreement, Stifel agreed, among other things, to accelerate Stifel’s voluntary ARS repurchase plan by six months, and pay certain fines and costs. In turn, the States agreed to dismiss all pending actions. Subsequently, The People’s State Bank of Indiana (“Bank”) filed an action in an Indiana state court against Stifel and a former employee regarding ARS transactions by the Bank in 2007 and 2008. Stifel is vigorously defending against the lawsuit.

Separately, an affiliate, Stone & Youngberg LLC was named in an action in the United States District Court in San Francisco against the City of Alameda, Alameda Power & Telecom, Stone & Youngberg LLC and other entities alleging violations of law in connection with a revenue anticipation bond offering. This litigation arose following the lack of success of the underlying telecommunications venture that was to have generated the revenue for the venture. Stone & Youngberg LLC believes that in its roles as underwriter and securities broker for the offering, it acted properly and in full compliance with all applicable laws, rules and regulations. However, in order to avoid the expense and uncertainty of trial, Stone & Youngberg has settled the claims with the investors and the lawsuits have been dismissed. The terms of the settlements are confidential.

Additionally, Stone & Youngberg LLC has reached an agreement in principle with the enforcement staff of FINRA to resolve an investigation relating to retail sales of CMOs. The FINRA enforcement staff alleges that, between January 1, 2006 and August 31, 2007, the Firm charged excessive markups on certain retail CMO transactions in violation of NASD Rule 2440, did not establish procedures reasonably designed to monitor the suitability of retail sales of CMOs in violation of NASD Rule 3010, and did not provide certain educational materials relating to CMOs in violation of NASD IM-2210-8. In the agreement dated February 9, 2012, the Firm neither admitted nor denied the allegations, but consented to a censure, a fine and payment of restitution on February 9, 2012.

Separately, in April 2010, FINRA Enforcement instituted a regulatory action against Thomas Weisel Partners LLC, an affiliate, in San Francisco, California alleging violations of rules pertaining to past transactions involving Auction Rate Securities. An extended hearing panel decision was rendered November 8, 2011 wherein the Firm was fined for not having adequate supervisory procedures governing principal transactions in violation of NASD Rules 2110 and 3010. Additional charges that the Firm fraudulently sold Auction Rate Securities to customers in violation of SEC, FINRA and NASD rules alleging Thomas Weisel Partners LLC provided false information to both FINRA and to customers, were all dismissed. The hearing panel found no evidence that the Firm intended to defraud the corporate cash customer accounts, or was reckless in selling Auction Rate Securities to them, and neither the statements the Firm made to FINRA nor to customers were false or misleading. The Firm was ordered to pay the costs of the hearing. The Firm prevailed on all financial advisory matters. FINRA's appeal was denied on February 15, 2013.

Additionally, on January 16, 2012, Stifel Financial Corp. and its primary broker-dealer subsidiary, Stifel Nicolaus, were named as defendants in a suit filed in Wisconsin state court with respect to Stifel Nicolaus' role as initial purchaser in a \$50 million bond offering under Rule 144A in January 2008. The bonds were issued by the Lake of the Torches Economic Development Corporation ("EDC") in connection with certain new financing for the construction of a proposed new casino, as well as refinancing of indebtedness involving Lac Du Flambeau Band of Lake Superior Chippewa Indians (the "Tribe"), who are also defendants in the action, together with Godfrey & Kahn, S.C. ("G&K") who served as both issuer's counsel and bond counsel in the transaction. In an earlier action in federal court in Wisconsin related to the transaction, EDC was successful in its assertion that the bond indenture was void as an unapproved "management contract" under National Indian Gaming Commission regulations, and that accordingly the waiver of sovereign immunity contained in the indenture was void.

Saybrook Tax Exempt Investors LLC, a qualified institutional buyer and the sole bondholder through its special purpose vehicle LDF Acquisition LLC (collectively, "Saybrook"), and Wells Fargo Bank, NA ("Wells Fargo"), indenture trustee for the bonds (collectively "plaintiffs") brought the Wisconsin state court suit against EDC, Stifel and G&K, based on alleged misrepresentations about the enforceability of the indenture and the bonds and the waiver of sovereign immunity. The plaintiffs allege that G&K represented in various legal opinions issued in the transaction, as well as in other documents associated with the transaction, that (i) the bonds and indenture were legally enforceable obligations of EDC and (ii) EDC's waivers of sovereign immunity were valid. The claims asserted against Stifel are for breaches of implied warranties of validity and title, securities fraud and statutory misrepresentation under Wisconsin state law, intentional and negligent misrepresentations relating to those matters. In addition to claims against EDC, the plaintiffs are seeking a judgment against Stifel and G&K to the extent EDC does not fully perform its obligations to Saybrook pursuant to the bonds and damages, costs and attorneys' fees. Stifel believes it has meritorious defenses to the matter and intends to defend the claims vigorously.

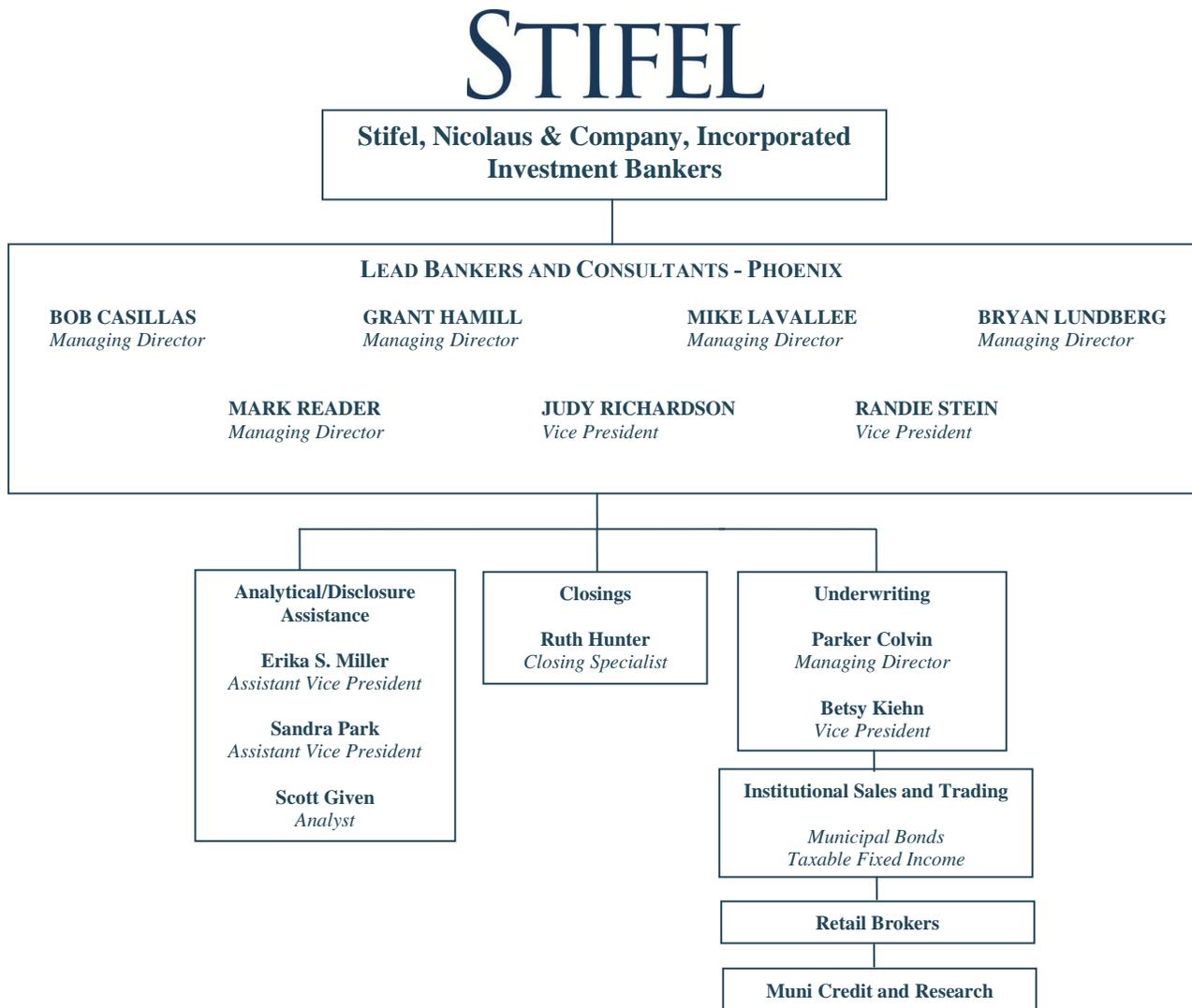
On December 13, 2012, Stifel Nicolaus was named as a defendant in a suit filed in Lac Courte Oreilles Tribal Court in Wisconsin by the Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin (the "Oreilles Band"). The lawsuit relates to the alleged actions of Stifel Nicolaus, including by and through a former employee, in public finance transactions in 2003 and 2006. The lawsuit accuses Stifel of breaching alleged fiduciary duties by failing to disclose or concealing certain facts relating to the purchase by Stifel Nicolaus of approximately \$31.3 million of bonds issued by the Oreilles Band which were used to, among other things, refund and repurchase various bonds issued by the Oreilles Band in 2003. We are in the early stages of analyzing the underlying facts and the legal claims asserted in the lawsuit. We believe meritorious legal and factual defenses exist and intend to defend the claims vigorously. While we do not expect the outcome of any existing claims against us to have a material adverse impact on our business, financial condition or results of operations, we cannot assure you that these types of proceedings will not materially and adversely affect our company.

Additionally, the Firm is the subject of many routine reviews, inquiries and investigations. Any investigation is required to be disclosed by the Firm and is publicly available on the Broker Check Report which can be found at FINRA.org.

TAB 2 – PERSONNEL

1. *The names of persons authorized to represent the Firm, their titles, addresses, telephone numbers and email addresses.*
2. *The banker(s)/consultant(s) who will be serving the YEPA & SAVE members.*
3. *A background of the banker(s)/consultant(s) experience specifically relating to the services to be provided in this field, including a brief bio and table listing YEPA and/or SAVE member clients and associated services provided to YEPA and/or SAVE clients.*
4. *Provide a table listing the number of municipal sales representatives and the number of municipal trading and underwriting professionals assigned to support the sales, trading, and underwriting of debt obligations of YEPA and/or SAVE members.*

The following table depicts the professionals assigned to SAVE and YEPA members.



Primary Banking and Consulting Personnel. The following table includes the bankers and consultants who will be serving the YEPA and SAVE members. All of those individuals are authorized to represent the Firm and are located in Stifel’s Phoenix, Arizona office. In addition, our west coast underwriting team is identified below and these individuals are located in our San Francisco office.

LEAD BANKING AND CONSULTING PERSONNEL

Professional	Telephone	E-mail Address
Bob Casillas <i>Managing Director</i>	602-794-4001	rcasillas@stifel.com
Grant Hamill <i>Managing Director</i>	602-794-4006	ghamill@stifel.com
Michael LaVallee <i>Managing Director</i>	602-794-4008	mlavallee@stifel.com
Bryan Lundberg <i>Managing Director</i>	602-794-4007	blundberg@stifel.com
Mark Reader <i>Managing Director</i>	602-794-4011	mreader@stifel.com
Dr. Judy Richardson <i>Vice President</i>	602-794-4012	jrichardson@stifel.com
Randie Stein <i>Vice President</i>	602-794-4002	rstein@stifel.com

PRIMARY MUNICIPAL UNDERWRITING AND MARKET PROFESSIONALS

Professional	Telephone	E-mail Address
Parker Colvin <i>Managing Director</i>	415-445-2352	pcolvin@stifel.com
Betsy Kiehn <i>Vice President</i>	415-445-2303	bkiehn@stifel.com

ADDITIONAL BANKING SUPPORT

Professional	Telephone	E-mail Address
Erika S. Miller <i>Assistant Vice President</i>	602-794-4030	esmillier@stifel.com
Sandra Park <i>Assistant Vice President</i>	602-794-4010	spark@stifel.com
Scott Given <i>Analyst</i>	602-794-4026	sgiven@stifel.com

Mike LaVallee
Managing Director
Phoenix

Phone: 602-794-4008
 Fax: 602-794-4046
 Email: mlavallee@stifel.com

Licenses issued by FINRA:
 Series 7
 Series 63

Mr. LaVallee is a Managing Director with Stifel and has nearly 18 years of public finance experience in Arizona. Mr. LaVallee manages various public finance accounts including school districts, cities and towns, fire districts and other special districts. He has considerable experience managing various types of debt issuances including general obligation, revenue (water, sewer, excise, HURF), certificates of participation, and assessment bonds.

In addition to the many traditional school district Class B bond elections and debt issuances, Mr. LaVallee specializes in unique financing solutions to solve challenges associated with fast growth and tax rate management including the use of stepped-coupon bonds, impact aid revenue bonds and certificates of participation. Mr. LaVallee (and Bryan Lundberg) are the State's leading advisors on tax credit and direct pay government programs such as Build America Bonds, Qualified School Construction Bonds and Qualified Zone Academy Bonds.

Mr. LaVallee serves the following school district clients: Buckeye Elementary School District, Buckeye Union High School District, Casa Grande Union High School District, Catalina Foothills Unified School District, Colorado River Union High School District, Coolidge Unified School District, Florence Unified School District, Higley Unified School District, Humboldt Unified School District, J.O. Combs Unified School District, Kyrene Elementary School District, Lake Havasu Unified School District, Liberty Elementary School District, Maricopa Unified School District, Nogales Unified School District, Osborn Elementary School District, Payson Unified School District, Prescott Unified School District, Riverside Elementary School District and Sierra Vista Unified School District.

Municipal entities served by Mr. LaVallee include the Town of Buckeye, City of Kingman, City of Eloy, Town of Marana and the Water Infrastructure Financing Authority (WIFA). Fire Districts served by Mr. LaVallee include the Green Valley Fire District, Chino Valley Fire District, Rincon Valley Fire District, Pinetop Fire District and Tubac Fire District, to name a few.

Mr. LaVallee is an active member and frequent speaker of the Arizona Association of School Business Officials. He is also a member of Government Finance Officers Association of Arizona, the Arizona City Managers Association, the League of Arizona Cities and Towns, the Arizona Fire District Association and the Arizona Superintendents Association. Mr. LaVallee serves on the Board of Downtown Urban Community Kids (DUCK), an organization providing after-school programs and other resources to urban Phoenix children. He is an Arizona native and a graduate of Arizona State University with a Bachelor of Arts Degree in Finance.

<p>Judy Richardson <i>Vice President</i> Phoenix</p> <hr/> <p>Phone: 602-794-4012 Fax: 602-794-4046 Email: jrichardson@stifel.com</p> <p>Licenses issued by FINRA: Series 52 Series 63</p>	<p>Judy Richardson joined Stone & Youngberg (now Stifel) as Vice President in 2002. She has thirty years experience in school finance and assists school districts with a broad range of financial needs, including bond transactions, bond and override elections, working with the Students FIRST school capital finance system, and school finance legislation.</p> <p>Prior to joining Stone & Youngberg, Dr. Richardson was Senior Vice President, School Finance Consulting Services, at Peacock, Hislop, Staley & Given, Inc. (1998 – 2002).</p> <p>Dr. Richardson previously served as Executive Director of the State Board for School Capital Facilities (1996 to 1998) and as an independent school finance consultant. She was employed by the Arizona Department of Education (ADE) from 1987 to 1994, first as Director of School Finance, and later as Associate Superintendent for Support Services. During most of that time, she was also the chair of the ADE legislative team. Before moving to ADE, she served as a Research Analyst for the Education Committee of the Arizona State Senate (1982-1987). Dr. Richardson holds a B.A. in English and an M.A. in Secondary Education from Stanford University, and a Ph.D. in Higher Education from the University of Washington.</p>
<p>Randie Stein <i>Vice President</i> Phoenix</p> <hr/> <p>Phone: 602-794-4002 Fax: 602-794-4046 Email: rstein@stifel.com</p> <p>Licenses issued by FINRA: Series 52 Series 63</p>	<p>Randie Stein joined Stone & Youngberg (now Stifel) in 2004. Mrs. Stein conducts specialized financial studies, assists with bond transactions, and provides capital consulting services to school districts. She is a frequent presenter for the Arizona Association of School Business Officials on legislative, property tax, and school finance issues.</p> <p>Mrs. Stein has been a public policy consultant (1999 to 2004), with an emphasis on fiscal analysis and education finance issues, including Students FIRST consulting. In 1999, she served as the Acting Executive Director of the School Facilities Board and was responsible for the initial implementation of the Students FIRST law. In 2003, Mrs. Stein was selected by Governor Napolitano to serve on the Governor’s Citizen’s Finance Review Commission charged with recommending reform in the Arizona tax code.</p> <p>Mrs. Stein also served as a member of the Senate Staff (1989-1998). She initially joined the Senate as the Majority Staff Economist and later served as the Legislative Research Analyst for the Senate Finance Committee and also as the Research Staff Director. Prior to joining the Senate Staff, she worked for three years at the Phoenix Chamber of Commerce and for one legislative session as an Economist/Budget Analyst with the Joint Legislative Budget Committee.</p> <p>Mrs. Stein currently serves as a member of the Board of Trustees of the Arizona Public Safety Personnel Retirement System. She is a graduate of both the University of Arizona, where she received her Bachelor’s degree in Economics, and Arizona State University, where she received her Master’s degree.</p>

Following are resumes for personnel who will provide additional investment banking and consulting support to YEPA and SAVE members.

<p>Erika S. Miller <i>Assistant Vice President</i> Phoenix</p> <hr/> <p>Phone: 602-794-4030 Fax: 602-794-4046 Email: esmiller@stifel.com</p> <hr/> <p>Licenses issued by FINRA: Series 7 Series 63</p>	<p>Erika S. Miller joined Stone & Youngberg (now Stifel) in November 2009 and has nine years of Arizona public finance expertise, providing analytical and transactional support for issuers throughout the State of Arizona. Ms. Miller has experience with a wide variety of credit types and financing vehicles. Her municipal finance experience includes working with various public agencies in Arizona and New Mexico, such as school districts, cities/towns, counties, community facilities districts, universities, and special districts. Her primary areas of responsibility include quantitative analysis and transactional support. She contributes to all stages of the debt issuance process, including evaluation of structuring options, preparation and review of offering documents, closings, election pamphlets, and execution of bond sales.</p> <p>Ms. Miller is an Arizona native and a graduate of the Barrett Honors College at Arizona State University with a B.A. in journalism and a minor in business. She also holds a Master's degree in public administration with an emphasis in urban management from Arizona State University. Ms. Miller is a member of Arizona Association of School Business Officials (AASBO) and Government Finance Officers Association of Arizona (GFOAZ). She's also an active member in the Junior League of Phoenix where she currently serves as the Finance Vice President.</p>
<p>Sandra Park <i>Assistant Vice President</i> Phoenix</p> <hr/> <p>Phone: 602-794-4010 Fax: 602-794-4046 Email: spark@stifel.com</p> <hr/> <p>Licenses issued by FINRA: Series 52 Series 63</p>	<p>Sandra Park joined Stone & Youngberg (now Stifel) in 2002. Ms. Park provides quantitative analysis and transactional support, assisting in various aspects of municipal debt financings including structural and refunding analyses, the preparation, review and distribution of offering documents, bond closings, election pamphlets and client and rating presentation materials.</p> <p>Ms. Park's experience in municipal finance includes general obligation bonds, revenue bonds, special assessment bonds, and certificates of participation for school districts, counties, cities/towns, community facilities and special districts, fire districts, and various agencies in the State of Arizona.</p> <p>Ms. Park is a graduate of Northwestern University with a Bachelor of Arts degree in political science. Licenses issued by FINRA: Series 52, Series 63. Ms. Park is a member of Arizona Association of School Business Officials (AASBO) and Government Finance Officers Association of Arizona (GFOAZ).</p>
<p>Scott Given <i>Analyst</i> Phoenix</p> <hr/> <p>Phone: 602-794-4026 Fax: 602-794-4046 Email: sgiven@stifel.com</p> <hr/> <p>Licenses issued by FINRA: Series 7 Series 63</p>	<p>Scott Given joined Stifel in 2012 as a Public Finance Analyst. Mr. Given has over four years of municipal financial industry experience and assists with numerous aspects of municipal debt financings. As an Analyst, he provides analytical and preparatory assistance to issuers throughout the State of Arizona.</p> <p>Mr. Given holds a B.S. in Finance from the University of Arizona with an Accredited Asset Management Certification.</p>

**Arizona (SAVE and YEPA) Municipal Clients Served by
Stifel’s Lead Banking and Consulting Team
(2008 to date)**

The following table lists the various Arizona municipal clients (and SAVE and YEPA members) served by the lead banking members of the Stifel team, including the role and the individual bankers that served each client.

Client	Sector	Role	Bankers
Agua Fria UHSD	SCHOOL DISTRICT	IB	BL JR
Alhambra ESD	SCHOOL DISTRICT	IB	ML MR
Altar Valley ESD	SCHOOL DISTRICT	IB	BL
Amphitheater USD	SCHOOL DISTRICT	IB	BL JR
Antelope UHSD	SCHOOL DISTRICT	IB	BC
Apache Junction USD	SCHOOL DISTRICT	IB	JR
Arlington ESD	SCHOOL DISTRICT	IB	ML SP
Avondale ESD	SCHOOL DISTRICT	IB	BL JR
Benson USD	SCHOOL DISTRICT	IB	ML
Bisbee USD	SCHOOL DISTRICT	IB	BL
Blue Ridge USD	SCHOOL DISTRICT	IB	MR RS
Buckeye ESD	SCHOOL DISTRICT	IB	ML
Buckeye UHSD	SCHOOL DISTRICT	IB	ML
Camp Verde USD	SCHOOL DISTRICT	IB	BL
Cartwright ESD	SCHOOL DISTRICT	IB	MR
Casa Grande ESD	SCHOOL DISTRICT	FA	BL JR
Casa Grande UHSD	SCHOOL DISTRICT	IB	ML
Catalina Foothills USD	SCHOOL DISTRICT	IB	ML
Cave Creek USD	SCHOOL DISTRICT	IB	BL JR
Cedar USD	SCHOOL DISTRICT	IB	MR
Chandler USD	SCHOOL DISTRICT	IB	GH JR
Chino Valley USD	SCHOOL DISTRICT	IB	ML RS
Colorado River UHSD	SCHOOL DISTRICT	IB	ML
Concho ESD	SCHOOL DISTRICT	IB	BL
Continental ESD	SCHOOL DISTRICT	IB	JB RS
Coolidge USD	SCHOOL DISTRICT	IB	ML
Crane ESD	SCHOOL DISTRICT	IB	BC RS
East Valley Institute of Technology	SCHOOL DISTRICT	IB	BL
Deer Valley USD	SCHOOL DISTRICT	UW	GH RS
Douglas USD	SCHOOL DISTRICT	IB	MR
Dysart USD	SCHOOL DISTRICT	IB	BL JR
Flagstaff USD	SCHOOL DISTRICT	UW	GH
Florence USD	SCHOOL DISTRICT	IB	ML RS
Fountain Hills USD	SCHOOL DISTRICT	IB	BC
Ganado USD	SCHOOL DISTRICT	IB	MR

IB - Services provided only by Stifel and included all services described within the RFP

UW - Services provided were limited to underwriting of debt securities

FA - Services provided were limited to financial advisory assistance

CS - Services provided were limited to capital finance consulting

BC - Bob Casillas

MR - Mark Reader

GH - Grant Hamill

JR - Judy Richardson

ML - Mike LaVallee

RS - Randie Stein

BL - Bryan Lundberg

JB - John Baracy

Client	Sector	Role	Bankers
Gila Bend USD	SCHOOL DISTRICT	IB	MR RS
Gilbert USD	SCHOOL DISTRICT	FA	GH JR
Glendale ESD	SCHOOL DISTRICT	IB	BL JR
Glendale UHSD	SCHOOL DISTRICT	IB	MR
Globe USD	SCHOOL DISTRICT	IB	ML
Grand Canyon USD	SCHOOL DISTRICT	IB	JR
Higley USD	SCHOOL DISTRICT	IB	ML
Holbrook USD	SCHOOL DISTRICT	IB	BL JR
Humboldt USD	SCHOOL DISTRICT	IB	ML RS
Hyder ESD	SCHOOL DISTRICT	IB	BL
JO Combs USD	SCHOOL DISTRICT	IB	ML
Joseph City USD	SCHOOL DISTRICT	IB	BL
Kayenta USD	SCHOOL DISTRICT	IB	BL
Kyrene ESD	SCHOOL DISTRICT	IB	ML
Lake Havasu USD	SCHOOL DISTRICT	IB	ML
Liberty ESD	SCHOOL DISTRICT	IB	ML
Litchfield ESD	SCHOOL DISTRICT	IB	BL JR
Littleton ESD	SCHOOL DISTRICT	IB	MR JR
Madison ESD	SCHOOL DISTRICT	IB	BC JR
Marana USD	SCHOOL DISTRICT	IB	BL JR
Maricopa USD	SCHOOL DISTRICT	IB	ML
Mesa USD	SCHOOL DISTRICT	FA	GH JR
Mingus UHSD	SCHOOL DISTRICT	IB	MR RS
Mohave Valley ESD	SCHOOL DISTRICT	IB	BC
Morenci USD	SCHOOL DISTRICT	IB	MR
Murphy ESD	SCHOOL DISTRICT	IB	BC RS
Nadaburg ESD	SCHOOL DISTRICT	IB	BL RS
Nogales USD	SCHOOL DISTRICT	IB	ML
Oracle ESD	SCHOOL DISTRICT	IB	ML RS
Osborn ESD	SCHOOL DISTRICT	IB	ML
Page USD	SCHOOL DISTRICT	IB	ML
Palo Verde ESD	SCHOOL DISTRICT	IB	BC JR
Paradise Valley USD	SCHOOL DISTRICT	UW	BL JR
Payson USD	SCHOOL DISTRICT	IB	ML
Peach Springs USD	SCHOOL DISTRICT	IB	MR RS
Peoria USD	SCHOOL DISTRICT	IB	BL RS
Phoenix ESD	SCHOOL DISTRICT	IB	BC RS
Phoenix UHSD	SCHOOL DISTRICT	FA	GH JR
Pima USD	SCHOOL DISTRICT	IB	BL
Prescott USD	SCHOOL DISTRICT	IB	ML
Queen Creek USD	SCHOOL DISTRICT	IB	BC
Red Mesa USD	SCHOOL DISTRICT	IB	MR ML

IB - Services provided only by Stifel and included all services described within the RFP

UW - Services provided were limited to underwriting of debt securities

FA - Services provided were limited to financial advisory assistance

CS - Services provided were limited to capital finance consulting

BC - Bob Casillas

MR - Mark Reader

GH - Grant Hamill

JR - Judy Richardson

ML - Mike LaVallee

RS - Randie Stein

BL - Bryan Lundberg

JB - John Baracy

Client	Sector	Role	Bankers
Riverside ESD	SCHOOL DISTRICT	IB	ML
Roosevelt ESD	SCHOOL DISTRICT	IB	GH JR
Round Valley USD	SCHOOL DISTRICT	IB	BL RS
Safford USD	SCHOOL DISTRICT	IB	BL
Sahuarita USD	SCHOOL DISTRICT	IB	JB RS
Santa Cruz Valley USD	SCHOOL DISTRICT	IB	MR JR
Scottsdale USD	SCHOOL DISTRICT	IB	BL RS
Sedona-Oak Creek USD	SCHOOL DISTRICT	IB	BC RS
Show Low USD	SCHOOL DISTRICT	IB	MR
Sierra Vista USD	SCHOOL DISTRICT	IB	ML
Snowflake USD	SCHOOL DISTRICT	IB	ML
Somerton ESD	SCHOOL DISTRICT	IB	BL
Stanfield ESD	SCHOOL DISTRICT	IB	BL
Tanque Verde USD	SCHOOL DISTRICT	IB	MR
Tempe ESD	SCHOOL DISTRICT	FA	BL
Tempe UHSD	SCHOOL DISTRICT	UW	BC
Tolleson ESD	SCHOOL DISTRICT	IB	BL
Tolleson UHSD	SCHOOL DISTRICT	UW	BL
Toltec ESD	SCHOOL DISTRICT	IB	BL
Tombstone USD	SCHOOL DISTRICT	IB	BL
Tuba City USD	SCHOOL DISTRICT	IB	BC JR
Tucson USD	SCHOOL DISTRICT	FA	BC JR
Union ESD	SCHOOL DISTRICT	IB	ML
Vail USD	SCHOOL DISTRICT	IB	MR
Washington ESD	SCHOOL DISTRICT	CS	BL RS
Western Maricopa Educational Center	SCHOOL DISTRICT	FA	BL
Whiteriver USD	SCHOOL DISTRICT	IB	MR
Wickenburg USD	SCHOOL DISTRICT	IB	BL
Wilson ESD	SCHOOL DISTRICT	IB	BC RS
Window Rock USD	SCHOOL DISTRICT	IB	MR
Winslow USD	SCHOOL DISTRICT	IB	BL MR
Yuma ESD	SCHOOL DISTRICT	IB	BC
Yuma UHSD	SCHOOL DISTRICT	IB	BC BL
Apache County Library District	CITY/TOWN/COUNTY	IB	MR
Avondale (C of)	CITY/TOWN/COUNTY	FA, UW	MR
Bisbee (C of)	CITY/TOWN/COUNTY	IB	MR
Buckeye (T of)	CITY/TOWN/COUNTY	FA, UW	MR ML
Camp Verde (T of)	CITY/TOWN/COUNTY	IB	MR
Chandler (C of)	CITY/TOWN/COUNTY	UW	GH
Chino Valley (T of)	CITY/TOWN/COUNTY	IB	MR

IB - Services provided only by Stifel and included all services described within the RFP

UW - Services provided were limited to underwriting of debt securities

FA - Services provided were limited to financial advisory assistance

CS - Services provided were limited to capital finance consulting

BC - Bob Casillas

MR - Mark Reader

GH - Grant Hamill

JR - Judy Richardson

ML - Mike LaVallee

RS - Randie Stein

BL - Bryan Lundberg

JB - John Baracy

Client	Sector	Role	Bankers
Cochise County	CITY/ TOWN / COUNTY	IB	MR GH
Cottonwood (C of)	CITY/ TOWN / COUNTY	IB	GH
Eloy (C of)	CITY/ TOWN / COUNTY	FA	ML
Florence (T of)	CITY/ TOWN / COUNTY	IB	MR
Goodyear (C of)	CITY/ TOWN / COUNTY	UW	MR
Kingman (C of)	CITY/ TOWN / COUNTY	FA, UW	ML
Lake Havasu City	CITY/ TOWN / COUNTY	FA	MR
Marana (T of)	CITY/ TOWN / COUNTY	FA, UW	MR ML
Mesa, City of	CITY/ TOWN / COUNTY	UW	GH
Mohave County	CITY/ TOWN / COUNTY	FA	BC BL
Oro Valley (T of)	CITY/ TOWN / COUNTY	IB	MR RS
Parker (T of)	CITY/ TOWN / COUNTY	IB	MR
Payson (T of)	CITY/ TOWN / COUNTY	IB	GH
Peoria (C of)	CITY/ TOWN / COUNTY	UW	MR
Phoenix (C of)	CITY/ TOWN / COUNTY	UW	GH BL
Pinal County	CITY/ TOWN / COUNTY	IB	MR
Prescott Valley (T of)	CITY/ TOWN / COUNTY	IB	BC
Safford (C of)	CITY/ TOWN / COUNTY	IB	MR
Sahuarita (T of)	CITY/ TOWN / COUNTY	FA	MR
Scottsdale (C of)	CITY/ TOWN / COUNTY	UW	GH
Show Low (C of)	CITY/ TOWN / COUNTY	IB	MR
Somerton (C of)	CITY/ TOWN / COUNTY	IB	MR
Superior (T of)	CITY/ TOWN / COUNTY	IB	ML
Surprise (C of)	CITY/ TOWN / COUNTY	FA, UW	BC GH
Taylor (T of)	CITY/ TOWN / COUNTY	IB	MR
Tolleson (C of)	CITY/ TOWN / COUNTY	IB	BC RS
Tucson (C of)	CITY/ TOWN / COUNTY	UW	GH
Willcox (C of)	CITY/ TOWN / COUNTY	IB	MR
Winslow (C of)	CITY/ TOWN / COUNTY	IB	GH
Yavapai County	CITY/ TOWN / COUNTY	IB	GH RS
Yuma, City of	CITY/ TOWN / COUNTY	UW	BC BL
Arizona Board of Regents	STATE	UW	GH
Arizona Department of Administration	STATE	UW	GH RS
University of Arizona	STATE	UW	GH
Valley Metro	STATE	UW	BC GH

IB - Services provided only by Stifel and included all services described within the RFP

UW - Services provided were limited to underwriting of debt securities

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BC - Bob Casillas

MR - Mark Reader

GH - Grant Hamill

JR - Judy Richardson

ML - Mike LaVallee

RS - Randie Stein

BL - Bryan Lundberg

JB - John Baracy

Primary Municipal Underwriting and Market Professionals. The Stifel Team also includes Managing Director Parker Colvin who will serve as the District’s lead underwriter and Vice President Betsy Kiehn. These professionals are an integral part of our Stifel Team and will be available as needed to assist with all aspects of bond structuring, sale timing and preparation and other related fixed income market support. Following are their resumes.

<p>Parker Colvin <i>Managing Director</i> San Francisco</p> <hr/> <p>Phone: 415-445-2352 Fax: 415-397-9592 Email: pcolvin@stifel.com</p> <p>Licenses issued by FINRA: Series 7 Series 24 Series 53 Series 63</p>	<p>Parker Colvin is Managing Director and head of municipal underwriting for Stifel in San Francisco. He is the Firm's western region head underwriter both for negotiated and competitive underwriting. In this role, he makes commitments for the Firm on over 200 new issues totaling more than \$3.5 billion each year. His fifteen years of experience includes extensive general obligation, revenue bond and COP underwritings.</p> <p>Mr. Colvin is currently a trustee of the Moraga (CA) School District Governing Board. He is also a former president of the San Francisco Municipal Bond Club. Mr. Colvin received a Bachelor of Science degree in Mathematics from Wheaton College.</p>
<p>Betsy Kiehn <i>Vice President</i> San Francisco</p> <hr/> <p>Phone: 415-445-2303 Fax: 415-397-9592 Email: bkiehn@stifel.com</p> <p>Licenses issued by FINRA: Series 7 Series 63</p>	<p>Betsy Kiehn has over ten years municipal finance experience and is responsible for managing Stifle’s short-term underwriting and variable rate remarketing. She manages a diverse portfolio of over 60 issuers for nearly \$1.5 billion in par.</p> <p>Ms. Kiehn holds a Bachelor of Science degree from the University of Vermont.</p>

Combined Municipal Sales Representatives, Trading and Underwriting Professionals Supporting SAVE and YEPA Members

<u>Municipal Sales Representatives</u>	<u>Municipal Trading & Underwriting</u>
Institutional 55 Arizona Retail 16 National Retail 1,900	10

TAB 3 - SCOPE OF SERVICES

A brief summary of the scope of services to be provided by the Firm (see list of required services on pages 29 - 30), including method of approach to the delivery of these services.

Stifel is well suited to serve in the many investment banking capacities the District or other SAVE and YEPA members may need. In addition to the services described below, we incorporate by reference the services listed in the RFP. Whether the Firm provides underwriting, placement or financial advisory services, our value added services are available at no added cost over the basic applicable fee for SAVE and YEPA members contracting with Stifel under this RFP, that are anticipated to complete a debt financing during the term of this contract. Please also see “Additional Services Provided at Added Cost” at the end of this Tab 3.

Basic and Value Added Services	Stifel	Other Arizona Firms*
Preparation for Bond Election	✓	✓
Preparation for Bond Sale and Rating Agency Interaction	✓	✓
Bond Underwriting	✓	✓
Assistance with Bond Related Reports	✓	✓
Assistance with Tax Computations for Override Elections	✓	✓
Frequent Topical Seminars	✓	
Legislative Updates and Drafting Assistance	✓	
School Facilities Board (SFB) Updates	✓	
Critical Issues Assistance for Capital Finance, Debt & Taxes	✓	

* Based on information available as of the date of the RFP.

Following is a narrative describing our method of approach to providing the services described within the RFP and the additional Stifel services offered herein.

Review of Capital, Debt and Taxes

Prior to developing any capital financing plans for the District, the Stifel Team will review existing short and long term plans, policies and objectives of the District with regard to capital, debt and secondary property taxes. A thorough historic analysis of debt, secondary property taxes and taxpayers within the District will be compiled and updated periodically as needed and throughout the tenure of Stifel as underwriter, placement agent or financial advisor to the District. Stifel bankers can also suggest enhancements to existing District policies or objectives for financings and secondary property taxes. (See APPENDIX A for sample work products Stifel typically provides.)

Development of a Financial Plan

Successful public financings begin with a thorough understanding of the issuer’s financing objectives, financial concerns and political constraints. The development of a noteworthy financing plan is a collaborative process with individuals and professionals who have a wide variety of expertise. Stifel will work with the District and the team to ultimately create a debt issue reflecting the District’s policy objectives and structured to provide the lowest possible borrowing cost under prevailing market conditions. Included in this collaborative effort are: the District staff, independent auditors, bond counsel and other special consultants. We will manage this team effort with integrity on behalf of the District and will promote open and consistent communications with all parties and a sharing of ideas. This will allow financings to be completed in a timely fashion and ensure all capital financing objectives are met.

Upon adequate completion of the review and analysis described above, the Stifel Team will develop short (up to 5 years) and long (up to 10 years) term planning scenarios for future debt issuances and secondary property tax levies that are designed to balance several considerations, including (but not limited to) the following:

- A conservative implementation of capital projects (as provided by District officials or consultants);
- District policies and objectives related to debt (pay-as-you-go vs. pay-as-you-use, amortization, minimizing interest, intergenerational equity, etc.);
- District policies and objectives related to secondary property taxes (tax increase guidelines, etc.);

- State statutory restrictions for bonds, leases and capital overrides (authorization periods, bonding capacity limits, election date and pamphlet restrictions, amortization restrictions, eligible uses, etc.);
- Federal tax implications (spending requirements, arbitrage rebate, average life, etc.); and
- Minimizing fixed issuance costs through minimizing the number of debt issues;

Stifel bankers will review planning scenarios and weigh advantages and disadvantages with District officials before targeting desired planning scenarios. Schedules and summaries comprising these scenarios will be reviewed and updated periodically as needed throughout the tenure of Stifel as the investment banker to the District. (See APPENDIX A for sample work products Stifel typically provide.)

Implementing Debt Financings

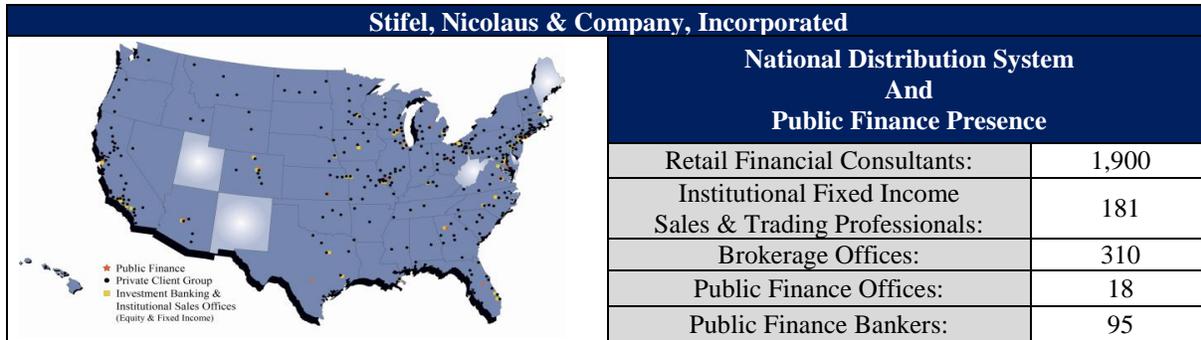
Prior to implementing any District debt financing, Stifel will review the targeted size, structure and timing of the financing to identify advantages related to current market conditions, public or private sale methods, changes in regulatory and statutory environment or developments in techniques and financial products that would improve the overall outcome of the District's financial plans. Stifel will also review the District's outstanding debt for interest savings and payment restructuring opportunities that could be achieved through adding a debt refunding component to the issue. The following describes individual components of our approach to implementing debt financings:

- Final Structuring Decisions -- As the sale approaches, we will offer final suggestions on structuring the financing, given bond market conditions and conditions in general in the financial markets. The shape of the yield curve, for example, could affect how to optimally schedule principal repayments, or the spread between AAA interest rates and other rates might affect the desirability of credit enhancement. In addition, the initial work for developing a financing plan would not have focused on many of the details that would have to be addressed at this point, such as prepayment protection and prepayment premiums.
- Financing Document Preparation -- Stifel will work closely with bond counsel to the District to prepare a finished set of documents for the financing. Stifel will provide input into their drafting and critique the documents along the way.
- Disclosure Document Preparation -- Stifel will assist District staff and legal counsel with the assemblage of an Official Statement (or placement memorandum, term sheet or other disclosure document) to be used as the primary marketing and disclosure document for the sale of the bonds or other debt.
- Credit Ratings -- Stifel will assist the District in determining the cost-benefit of obtaining credit ratings for its bonds or other financings. If a credit rating is to be obtained, Stifel will work actively with the rating agency(ies) to seek the highest possible rating for the bonds. Should a visit to the rating agency(ies) be advantageous [or a visit to the District by the rating agency(ies)], we would participate in the preparation and presentation of the materials with District staff.
- Evaluating the Cost/Benefit of Insurance -- Stifel will investigate the possibility of obtaining bond insurance for the District's bonds and other financings and estimate the potential reduction in the District's borrowing costs.
- Preparing for the Sale -- Stifel will stimulate interest in the bonds and handle the distribution of the Preliminary Official Statement to prospective bond purchasers. The Official Statement will be placed on-line and distributed to investors across the Country. We will answer any questions or requests for additional information from any prospective investors.
- Market Information -- Stifel will apprise the District of market conditions and any other factors pertinent to planning a sale and marketing of the bonds or other obligations prior to the sale.
- Pricing of Bonds or Other Debt -- See “**Marketing and Distribution**” on the next page.
- Aid in Closing Arrangements -- Stifel will work with District staff, other consultants (if any) and bond counsel to execute a closing of the financing after pricing. We will coordinate with the other financing team members for publishing any final Official Statement (or other disclosure documents) and will prepare a closing memorandum. We will arrange and coordinate with the appropriate parties so that the financial arrangements are made for the

closing. A “Summary of Results” package will be prepared for the District to serve as a record and reference in future years. (See APPENDIX A for Sample Work.)

Marketing and Distribution

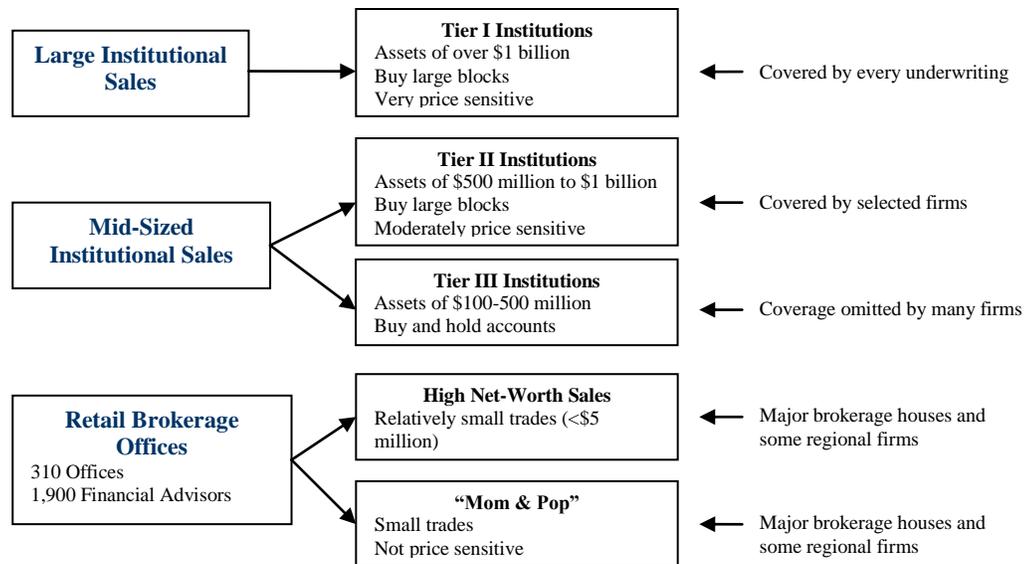
As underwriter, a hallmark of Stifel’s long tenure in the marketplace is our ability to offer aggressive pricing and stand behind our efforts with appropriate capital commitments. Achieving the lowest possible cost of borrowing – in light of the obligation structure, credit characteristics and market conditions at the time of pricing – is our ultimate objective. The Firm offers a hearty distribution network that includes national retail, Arizona retail, institutional and middle market distribution, all of which effectively focus the distribution and execution of bonds and other debt obligations to the investors willing to pay the highest price (lowest yield).



Retail Overview. Through the Stifel brokerage network, we offer our clients enhanced retail distribution across the country. Stifel maintains a top 10 national retail brokerage force consisting of more than 1,900 investment executives who manage over 650,000 client accounts across more than 300 offices, representing over \$126 billion in client assets. In Arizona alone, we offer our network of 16 retail brokers in 5 branches, which serve more than 8,000 client accounts that collectively possess nearly \$1.1 billion in assets under management.

Institutional Overview. Stifel’s retail system is complemented by our institutional municipal sales and trading team of more than 180 professionals, representing one of the largest municipal sales forces in the country. Our executives are experts in marketing municipal obligations to all classes of institutional investors and maintain active relationships with more than 4,000 accounts. While our Arizona underwriting activity remains based at our San Francisco office, our enhanced institutional sales platform includes offices in national and regional financial centers around the country. This broad geographic footprint has enhanced our ability to cover regional and local “second tier” and “third tier” buyers, beyond the major national investors, reaching deeper into the institutional market. These “middle market” investors are generally defined as entities with assets under management of less than \$5 billion, however most have assets in the \$50-\$300 million range. The institutional sales desks of major investment banks often overlook these smaller institutions as they require more attention than the top tier bond funds. We are one of the few major investment banks to maintain significant contact with the smaller institutions who can be active participants in a sale.

Our Institutional Sales and Mid-Market Sales Groups are also adept at marketing to “professional retail” - money managers, Registered Investment Advisors, trust accounts and individually managed wrap accounts. These accounts place orders in bulk (typically in \$500,000 to \$1,000,000 pieces) that they allocate among the individuals whose assets they manage. This buyer segment is often referred to as “professional retail” in acknowledgement that their business is to put obligations in the hands of retail investors. As one of the most active underwriters in Arizona, these buyers check in daily with our underwriting and trading desk to look for new inventory to fill their Arizona debt demand. Our relationships within the professional retail community help us identify pockets of interest across the maturity spectrum as well as specific coupon structures that may produce a favorable yield benefit for Arizona school districts.



The most important measure of marketing success is the issuance cost adjusted yield, or all-in TIC%. This measure includes not only the yield on the bonds, but also adjustment for issuance costs. The full yield on the obligations, when issues are dominated by institutional orders is usually higher, because institutions with massive buying power may demand terms that can drive up the long term cost of debt (such as premium bond structures). Retail investors prefer par pricing and often participate aggressively as purchasers of new issues when given the chance, but do not always participate actively in every maturity along the yield curve. As such, the most effective marketing results when the right balance can be struck between volume institutional investors, middle market institutions and less yield sensitive retail investors.

Preparation. Stifel’s marketing plan for bonds and other obligations relies on early and extensive coordination among bankers, underwriters and retail sales professionals, who conduct investor outreach and communicate the financing’s unique credit characteristics to maximize investor participation. Our marketing approach includes:

- Identifying traditional and non-traditional institutional and retail distribution outlets;
- Identifying the most aggressive pockets of demand for the bonds or other obligations;
- Developing optimum pricing structures to best meet individual investor needs;
- Positioning the bonds or other obligations for purchase by investors across all buying segments; and
- Combining institutional and retail demand to achieve aggressive prices.

Marketing Plan Summary		
<u>Pre-Sale</u>	<u>Sale</u>	<u>Post-Sale</u>
<ul style="list-style-type: none"> ○ Develop target buyer list and distribute offering materials ○ Develop presentation materials for retail and institutional investors ○ Contact key investors, including existing holders of the bonds ○ Generate local retail demand through advertisements in local newspapers and television ads, if desired ○ Generate national institutional demand 	<ul style="list-style-type: none"> ○ Confer with key investors on preferred coupon structure for institutional and retail sales ○ Pre-pricing call to discuss structure and initial price levels ○ Determine order period for institutional sales ○ Arrange online order access (I-Preo) for Staff ○ Morning of sale, take orders ○ Review orders with finance staff and make recommendations on final price adjustments ○ Underwrite unsold balances 	<ul style="list-style-type: none"> ○ Prepare post sale summary and distribution analysis ○ Distribute FOS to buyers ○ Aggressively make a market and provide liquidity to purchasers of the bonds ○ Provide ongoing secondary market information ○ Monitor other obligations for refunding opportunities

Structuring Considerations. The structure of an offering (maturity, call provision, coupon/yield structure, credit enhancement, rating etc.) often stimulates demand from different types of investors. The investor market is comprised of individual (retail) investors and various types of institutional buyers. Each group maintains certain preferences for the types of structuring details. The key here is to remain as much flexible as possible heading into a pricing. Having this flexibility will allow us to better respond to market conditions at the time of pricing and capture investor willingness to pay up for the bonds or other obligations to drive yields down. This flexibility comes in the form of “creative couponing” (i.e. par obligations, slight premium obligations, bifurcated coupons, etc.), having the ability to offer a retail-only order period if it offers pricing advantages to the issuer, and having the ability to term up bonds in the long end, to meet demand.

Seasoned Underwriting Team. Arizona school districts truly benefit from the way Stifel markets bonds and other obligations widely in our system and from the credibility our desk has with other firms. Our Arizona Underwriter, Parker Colvin is a veteran of the Western Regional municipal underwriting business and knows Arizona school district credits extremely well. Mr. Colvin has built and established long-standing relationships with institutional buyers in the Arizona market, his counterparts at competitive firms and Arizona issuers. Mr. Colvin is very well respected by his peers, knows the credit history of Arizona school districts well and has earned the trust of our clients. Mr. Colvin runs an “open book” during order periods, fostering strong communication among colleagues in other firms and thus tapping broader and more beneficial market input. In this role, he makes commitments for the Firm on approximately 200 new issues totaling more than \$3.5 billion each year. Mr. Colvin is assisted by Betsy Kiehn, regional Head of Short Term Underwriting and Co-Underwriter of Long Term Obligations, four municipal traders and three trading and underwriting assistants. The underwriting team’s effort will be supported by Rich Beames, Municipal Institutional Sales Manager. Rich Beames has more than 28 years of experience as a municipal bond professional, bringing with him strong institutional customer relationships and special expertise in secondary municipal market trading, as well as expertise in fixed income securities.

Investor Outreach. Stifel’s marketing strategy has also effectively utilized advertising designed to appeal to regional retail investors which can be done online, on cable business news, or the business pages of a local paper. All three methods have had some success in producing interest cost savings through increased retail participation. The Firm also advertises on CNBC – reaching a larger, targeted TV audience, which has resulted in new private client relationships.

Sales Force Education. Stifel’s organizational structure also enhances the Firm’s retail and institutional marketing program. Internally, our bankers and sales staff work in close proximity and communicate frequently on our pending transactions. Beyond formal presentations and memoranda to the sales staff, our bankers spend a considerable amount of time in informal conversations with the Firm’s sales personnel. As the pricing of the transaction approaches, our lead bankers will brief the underwriters and sales staff on the financing program and emphasize the issue’s key credit considerations and sales points. This preparation begins in the weeks preceding the marketing period. During the pricing, our bankers are available to the sales staff to discuss the credit with institutional analysts and major retail buyers should questions arise.

Leveraging Information Technology. One of the tools we use to foster this important link between and among bankers, sales professionals, underwriters and investors is MuniBOND. MuniBOND is an internet based database created by our internal IT Staff that contains information about all of the issues our Firm previously has underwritten, plans to underwrite and monitors in the secondary market. MuniBOND’s Forward Calendar provides a one-stop shop for access to rating reports, term sheets, amortization schedules and early price thoughts. MuniBOND allows all sales professionals to have equal, immediate access to information about upcoming financings so that they can commence a dialogue as soon as possible with potential investors. As they learn about the dynamics of each financing, they identify subsets of investors that have expressed an interest in that type of credit, that type of yield, that area of the yield curve and/or that region of the State. These subsets in aggregate comprise our target retail base. As appropriate, we supplement this effort with local marketing.

OTHER SERVICES INCLUDED AT NO ADDED COST

The broad professional resources of Stifel allow the Firm to offer a wide array of financing services not available with other firms. Our bankers and other consultants while specializing in planning and implementing debt issues, also have substantial expertise assisting Arizona school districts with the critical issues they often face related to capital finance, debt and taxes. Effective Arizona school district capital finance service requires multi-faceted expertise. Stifel continues to offer exclusive ongoing services for members anticipated to complete a financing during the term of the RFP.

The following services will be available without added cost over the basic underwriting, placement and financial advisory fees for members anticipated to complete a financing during the term of the contract:

1. Assistance with General Ongoing Bond-Related Assistance Matters

- Annual letter to the District regarding debt service requirements to be used in setting District's bond tax levy
- Annual reminder letter to District regarding its annual secondary market disclosure obligation (required to assist the Underwriter to comply with S.E.C. Rule 15c2-12(b)(5))
- If requested, assistance with the District in selecting a qualified Arbitrage Rebate Consultant and, upon request, facilitative bond document and coordination assistance;
- Assistance with projections relating to the District's tax base
- Annual Arizona school district bond and override election results summary
- Assistance with the annual indebtedness report required to be submitted to the Arizona Department of Revenue (if not prepared by the County)
- Periodic review of refinancing opportunities
- Assistance to the District with informational requests from bond rating agencies;
- Notification of significant legislation / regulations which may affect the bond program or District bonding capacity and changing federal and state regulations concerning tax exempt debt or bond election issues

2. School Capital Finance Support Services

The District will receive, at no added cost, the following informational reports which are prepared by our School Finance Consulting Team and edited by Dr. Judy Richardson or Randie Stein:

- Latest news related to school capital finance
- Legislative updates on school capital finance

In addition, the District will be invited to attend seminars, update meetings and policy discussions of school capital finance and school facilities issues at no added cost. These services, along with accessibility to Dr. Richardson and Ms. Stein, will allow the District to stay current on the very complex and changing capital finance issues facing Arizona school districts each year. (See APPENDIX B for examples.)

3. Assistance with Elections

We will assist the District and its bond counsel with Bond, Maintenance and Operation Override, Capital Outlay Override or other financing related (e.g., real property lease) elections, working closely also with the County Schools Superintendent and County Elections Offices, any campaign consultants, and any citizen committee designated to run the election campaign.

We will work closely with the District and bond counsel in preparing tax and financial documentation for the proposed elections, such as the Voter Information Brochure distributed by the County School Superintendent. We will also participate whenever necessary in bond election informational meetings to assist the District to communicate clearly with the voters.

Our other duties would include assisting the District and bond counsel in reviewing the language of the ballot measures. We would also be available to assist the District during a bond election campaign by providing tax and financial information and attending public meetings, if requested.

Our objective during the election process is to provide a high degree of attention to the District. The Stifel team assigned to the District's account will work with staff and bond counsel on coordinating all information requests and analyses and ensure that all timelines are being met. The bond election and subsequent issuance of bonds is a collaborative process and we pledge to work closely with the District on a well planned election and sale of bonds.

These elections services are available to members at no added cost over the underwriting, placement or financial advisor fee for members anticipated to complete a financing during the term of the contract, including the pre-election

services of Dr. Judy Richardson or Randie Stein who are available to explain the current status of school finance, Students FIRST and the potential for future change regarding the Arizona school district capital finance system. Their expertise has proven invaluable over a number of years.

In addition to the Class B bond election services described above, the Firm will also assist the District with the voter information pamphlet for its next Maintenance and Operation (M&O) or Capital Outlay override election at no additional cost. Override election assistance includes the following services:

- Requesting and reviewing the required data from the Department of Revenue
- Preparation of the table showing the estimated tax rate and the estimated secondary tax impact as required by statute
- For Capital Outlay overrides, assistance with the list of capital projects and tax impact
- Assistance with the preparation and review of other information in the pamphlet
- Consultation with the District's staff and attorney as necessary

ADDITIONAL SERVICES AVAILABLE AT ADDED COST

The following describes the services for which a fee other than the basic underwriter, placement or financial advisor fee would apply.

1. School Finance Consulting Services

Assistance with school finance issues is provided by our School Finance Consulting Team, headed by Dr. Richardson and Ms. Stein. In addition, Architect Cathy Rex is also available to provide assistance if needed with the Students FIRST School Capital Finance program. **Ms. Stein and Dr. Richardson's hourly consulting services are not generally available to Arizona school districts.** These consulting services are exclusively for Stifel clients. The following services are available to assist the District with school finance issues, including the implementation of Students FIRST:

- Assistance with strategic planning for capital expenditures and related decisions in order to maximize the District's future funding from the state and to maximize the District's future flexibility in meeting its needs. This also includes project selection, prioritization, and scheduling to maximize District overall capital financial resources.
- Governing Board and Staff presentations on various capital finance topics.
- Assistance with the preparation of applications, reports and communication with the School Facilities Board and its staff.
- Assistance with applications for state land leases or purchase.
- Assistance with facilities studies to recommend utilization strategies such as:
 - school or grade re-configurations.
 - renovation strategies to accommodate program changes or to increase utilization of space, or
 - inter-governmental agreement options.
- Projections of estimated revenues for building renewal and new construction.
- Legislative assistance with bill and amendment drafting, bill analysis, fiscal analysis and legislative strategy.

Consulting services (preparation for and attendance at meetings, preparation of materials and analyses) are currently billed at \$200 per hour for Dr. Richardson or Ms. Stein, \$140 for Ms. Rex or an assistant vice president associate or analyst, and \$100 per hour for an administrative assistant, if required. The hourly rates also apply to travel time. Reimbursable expenses include mileage and other costs of travel outside of the county of operation. Consulting services that require less than one hour's time are provided at no cost.

2. Hourly Banking Support Services

From time to time, our school district and other municipal clientele request research and services falling outside the scope of school finance consulting services or value added ongoing services as described herein. At the discretion of Stifel banking staff, the services may be provided at hourly rates including \$260 per hour for managing directors and directors, \$200 per hour for senior associates through senior vice presidents, \$140 per hour for associates and analysts and \$100 per hour for administrative assistants.

3. Debt Defeasances

Assistance with the defeasance of debt is provided at a fee not exceeding \$7,500 plus \$1,000 for each additional debt issue.

4. Escrow Restructuring

Assistance with restructuring escrows is provided for a fee equal the lesser of 0.25% of the securities value or 10% of net cost savings (\$25,000 minimum).

5. Underwriter, Placement Agent and Financial Advisory for Tax Anticipation Notes (TANs)

At the election of the District, Stifel is available to assist with the issuance of District TANs as either Underwriter or Placement Agent at \$2.00 per \$1,000 of principal (\$10,000 minimum) or as Financial Advisor for \$1.00 per \$1,000 of principal (\$10,000 minimum).

TAB 4 - REFERENCES

1. A minimum of five (5) firm references in providing services for bond issues with other school districts within the State of Arizona.
2. A minimum of five (5) references for each banker to be assigned to the District that may include school districts and financial institutions.

The following tables list references for the Firm, including Arizona school districts, cities and towns, counties, state agencies and universities. The entry for each reference also identifies the bankers for which the reference applies. With the expanded services and capabilities available to our bankers at Stifel, we can offer our clients a level of service and expertise that is unmatched and superior to any other firm.

Arizona School District References	
<p>Mr. Scott Little Chief Financial Officer Amphitheater Unified School District No. 10 701 W. Wetmore Tucson, AZ 85705 (520) 696-5130 (Bryan Lundberg, Sandra Park)</p> <p>Mr. Jeff Simmons, Chief Financial Officer Beverly Hurley, Superintendent Buckeye Union High School District No. 201 902 Eason Avenue Buckeye, AZ 85326 (623) 386-9703 (Mike LaVallee, Sandra Park)</p> <p>Mr. Zeek Ojeh, Assistant Superintendent for Financial & Auxiliary Services Ms. Sherry Celaya, Director of Business Services Cartwright Elementary School District No. 83 3401 N. 67th Avenue Phoenix, AZ 85033 (623) 691-4009 (Mark Reader, Erika Miller)</p> <p>Dr. Mary Kamerzell, Superintendent Ms. Sandra Thompson, Director of Finance Catalina Foothills Unified School District No. 16 2101 E. River Road Tucson, AZ 85718-6597 (520) 209-7537 (Mike LaVallee, Erika Miller)</p> <p>Mr. Joel Wirth, Associate Superintendent of Business Ms. Bim Frost, Administrative Assistant of Business Associate Superintendent for Business Chandler Unified School District No. 80 1525 W. Frye Road Chandler, AZ 85224 (480) 812-7000 (Grant Hamill, Judy Richardson, Erika Miller)</p>	<p>Dr. Gary Nine, Superintendent Ms. Beverly Myers, Business Manager Florence Unified School District No. 1 1000 S. Main Street Florence, AZ 85232 (520) 866-3506 (Mike LaVallee, Randie Stein, Sandra Park)</p> <p>Clyde Dangerfield, Assistant Superintendent Gilbert Unified School District No. 41 140 S. Gilbert Road Gilbert, AZ 85296 (480) 497-3444 (Grant, Hamill, Judy Richardson, Sandra Park)</p> <p>Mr. Jeremy Calles, Chief Financial Officer Dr. David Schauer, Superintendent Kyrene Elementary School District No. 28 8700 S. Kyrene Road Tempe, AZ 85284 (480) 541-1000 (Mike LaVallee, Erika Miller)</p> <p>Mr. Dan Contorno, Director of Finance Marana Unified School District No. 6 11279 W. Grier Road Marana, AZ 85653 (520) 682-4756 (Bryan Lundberg, Erika Miller)</p> <p>Mr. George Zeigler CPA, Chief Financial Officer Ms. Bobette Sylvester, Assistant Superintendent for Business and Support Services Mesa Unified School District No. 4 63 E. Main St., Suite 101 Mesa, AZ 85201 (480) 472-0115 (Judy Richardson, Sandra Park)</p>

Arizona School District References

Ms. Sandi Wilson, Business Manager/Purchasing
Palo Verde Elementary School District No. 49
 10700 S. Palo Verde Rd.
 Palo Verde, AZ 85343
 (623) 327-3685
 (Bob Casillas, Judy Richardson, Sandra Park)

Mr. Thomas Elliott, Assistant Superintendent, Business Services
Paradise Valley Unified School District No. 69
 15002 N. 32nd Street
 Phoenix, AZ 85032
 (602) 449-2030
 (Bryan Lundberg, Judy Richardson, Erika Miller)

Mr. Mike Finn, Chief Financial Officer
Peoria Unified School District No. 11
 6330 W. Thunderbird Road
 Glendale, AZ 85306
 (623) 486-6006
 (Bryan Lundberg, Randie Stein, Erika Miller)

Dr. Myriam Roa, Superintendent
 Mr. Larry Weeks, Assistant Superintendent
Phoenix Elementary School District No. 1
 1817 N. 7th Street
 Phoenix, AZ 85006
 (602) 257-4002
 (Bob Casillas, Randie Stein, Erika Miller)

Ms. Lorrie Drobny, Assistant Superintendent of Business & Operations
Phoenix Union High School District No. 210
 4502 N. Central Avenue
 Phoenix, AZ 85012
 (602) 764-1411
 (Grant Hamill, Judy Richardson)

Ms. Renee Raskin
 Chief Financial Officer
Prescott Unified School District No. 1
 146 S. Granite Street
 Prescott, AZ 86303
 (928) 445-5400 ext. 103
 (Mike LaVallee, Randie Stein, Sandra Park)

Dr. Jaime Rivera, Superintendent
 Mr. Jose Moreno, Executive Director of Student Services
Riverside Elementary School District No. 2
 1414 S. 51st Avenue
 Phoenix, AZ 85043
 (602) 477-8916
 (Mike LaVallee, Erika Miller)

Mr. David Peterson, Superintendent
 Mr. Daniel O'Brien, Chief Financial Officer
Scottsdale Unified School District No. 48
 3811 N. 44th Street
 Phoenix, AZ 85018
 (480) 484-6128
 (Bryan Lundberg, Randie Stein, Erika Miller)

Mr. David Lykins, Superintendent
Sedona-Oak Creek Joint Unified School District No. 9
 221 Brewer Rd., Suite 100
 Sedona, AZ 86336
 (928) 204-6801
 (Bob Casillas, Randie Stein, Sandra Park)

Mr. Hector Encinas, Chief Financial Officer
Sunnyside Unified School District No. 12
 2238 E. Ginter Road
 Tucson, AZ 85706
 (520) 545-2220
 (Bryan Lundberg, Bob Casillas, Erika Miller)

Ms. Gloria Butler, Business Manager
 Ms. Denise Finell, Consultant
Wilson Elementary School District No. 7
 3025 E. Fillmore Street
 Phoenix, AZ 85008
 (602) 681-2205
 (Bob Casillas, Randie Stein)

Arizona Cities and Towns References

Mr. Kevin Artz CPA, Finance Director
City of Avondale
 11465 W. Civic Center Dr., Ste 240
 Avondale, AZ 85323
 (623) 333-1000
 (Mark Reader, Bryan Lundberg)

Mr. Jack Kramer, City Manager
 Ms. Coral Loyd, Financial Services Director
City of Kingman
 310 N 4th Street
 Kingman, AZ 86401
 (928) 753-8102
 (Michael LaVallee, Sandra Park)

Reyes Medrano Jr., City Manager
 Steven Baumgardt, Finance Director
City of Tolleson
 9555 W. Van Buren
 Tolleson, AZ 85353
 (623) 936-7111
 (Bob Casillas, Randie Stein, Sandra Park)

Mr. Larry Tarkowski, Town Manager
 Mr. William Kauppi, Management Services Director
Town of Prescott Valley
 7501 E. Civic Circle
 Prescott Valley, AZ 86314
 (928) 759-3102
 (Bob Casillas, Sandra Park)

Ms. Stacey Lemos, CPA, Finance Director
Town of Oro Valley
 11000 N. La Canada Drive
 Oro Valley, AZ 85737-7015
 (520) 229-4732
 (Mark Reader, Sandra Park)

Mr. Doug Bradley, Finance Director
City of Somerton
 P.O. Box 638
 Somerton, AZ 85350
 (928) 722-7342
 (Mark Reader, Sandra Park)

Ms. Kelly Gottschalk, Assistant City Manager/CFO
 Ms. Silvia Amparano, Deputy Finance Director
 Ms. Silvia Navarro, Finance Specialist
 Mr. Art Cuaron, Finance Specialist
City of Tucson
 255 W. Alameda
 P.O. Box 27210
 Tucson, AZ 85726-7210
 (520) 837-4379
 (Grant Hamill, Randie Stein, Sandra Park)

Arizona County References

Mr. Delwin Wengert, County Manager
Apache County
 P. O. Box 428
 St. Johns, AZ 85936
 (928) 337-4364
 (Mark Reader)

Michael Ortega, County Administrator
Cochise County
 1415 Melody Lane, Building G
 Bisbee, Arizona 85603
 (520) 432-9200
 (Mark Reader, Bob Casillas)

Mr. Steve Peru, County Manager
Coconino County
 219 E. Cherry Avenue
 Flagstaff, AZ 86001
 (928) 779-6859
 (Mark Reader, Bob Casillas)

Mr. Dan Field, County Administrator
La Paz County
 1108 Joshua Avenue
 Parker, AZ 85344
 (928) 669-6115
 (Mark Reader, Randie Stein, Sandra Park)

Mr. James Menlove, Finance Director
Navajo County
 100 E. Carter Drive
 Holbrook, AZ 86025
 (928) 524-4323
 (Mark Reader, Erika Miller)

Mr. Fritz Behring, County Manager
Pinal County
 P.O. Box 827
 Florence, AZ 85232
 (520) 866-6248
 (Mark Reader, Grant Hamill)

Mr. John Zander, County Finance Director
Yavapai County
 1015 Fair Street, Room 221
 Prescott, AZ 86305
 (928) 442-5185
 (Grant Hamill, Randie Stein)

Arizona State Agencies, Universities and Special Districts

Mr. Clark Partridge, State Controller
Arizona Department of Administration
 100 N. 15th Avenue, Suite 302
 Phoenix, AZ 85007
 (602) 542-5405
 (Grant Hamill, Randie Stein)

Mr. Dean Gray, Executive Director
 Mr. Phil Williams, Deputy Director of Finance
Arizona School Facilities Board
 1700 W. Washington, Suite 230
 Phoenix, AZ 85007
 (602) 542-6143
 (Grant Hamill, Randie Stein, Sandra Park)

Ms. Toni Golden, Finance Manager
Central Yavapai Fire District
 8555 E. Yavapai Road
 Prescott Valley, AZ 86314
 (928) 772-7711
 (Mark Reader, Erika Miller)

Mr. Simon Davis, Fire Chief
 Ms. Katie Sayre, Administrative Division Chief
Green Valley Fire District
 1285 W. Camino Encanto
 Green Valley, AZ 85614
 (520) 625-9400
 (Mike LaVallee, Sandra Park)

Mr. Mark Stratton, General Manager
Metropolitan Domestic Water Improvement District
 6265 N. La Canada Drive
 P.O. Box 36870
 Tucson, AZ 85740
 (520) 575-8100
 (Mark Reader, Sandra Park)

Mr. Edwin Wilkerson, Fire Chief
Mountain Vista Fire District
 1175 West Magee Road
 Tucson, AZ 85704
 (520) 575-4087
 (Bryan Lundberg, Bob Casillas)

Mr. Kevin Keeley, Fire Chief
Tubac Fire District
 2227 E. Frontage Road
 P.O. Box 2881
 Tubac, Arizona 85646-2881
 (520) 398-2255
 (Mike LaVallee, Sandra Park)

Duc Ma, Assistant Vice President of Financial Services
University of Arizona
 Financial Services Office
 888 N. Euclid Ave., Rm. 502J
 P. O. Box 3310
 Tucson, AZ 85722 3310
 (520) 626-1188
 (Grant Hamill, Mark Reader, Randie Stein)

TAB 5 - COST PROPOSAL

The cost proposal form (as provided) must be completed and include the fees of the proposed services to be provided including those provided at no charge.

V. It must be understood by the offeror that payment for services rendered to the Districts will be paid from the bond funds upon the sale of bonds or debt obligations. Should the Governing Board not call for the bond election, or the bond election fail to pass, any services rendered will be on a no charge basis, except for any fees (hourly or otherwise) associated with additional services outlined in the cost proposal.

VI. The proposal response is to be submitted as Dollars per \$1,000.00 (one thousand dollars) of principal amounts of bond. For small bonds, a rate with a minimum is suggested. List below, the dollar cost for all services that you will provide relating to authorization and the issuance of bonds where there is a charge.

VII. Cost Form

We believe our proposed fees as outlined below are competitive and within the range of other proposers having equivalent and comparable services and expertise. Our fees also reflect the greater level of services we offer and the value we add to our clients that many other firms do not currently offer.

It is possible that some firms may submit extremely low bids to this RFP. A concern with an extremely low bid is that if it is too far below the national average, service and attention to the District's account might be compromised and the compensation available to sell the bonds may not be sufficient to market bonds at the lowest possible interest rates. The resulting increase in interest costs may far exceed any "savings" from selecting the Firm that bids the lowest fee for a particular service resulting in a false economy.

We respectfully request the District to consider all the factors presented in this response including:

- The overall service and range of services provided to the District (including those services of Dr. Judy Richardson and Randie Stein that would be included at no additional cost).
- The strength of our underwriting desk to secure the lowest interest rates possible for the District.
- The experience, diversity and proven capability we have in the Arizona sector.
- The dedication and professionalism we provide every one of our clients.

Our cost proposal covers the three major types of debt obligations that the District, SAVE, and YEPA members might issue. The prices below for underwriting assume a 10-year amortization and an uninsured financing with at least an "AA" underlying credit rating. Prices on the next page are shown on a fee per bond basis, assuming bond increments of \$1,000. The underwriting and financial advisor fee for any issuance will not be lower than fees stated for smaller financing sizes. See notes on page 39 for additional information and potential adjustments.

	Less than 2 Million	2 to 9.999 Million	10 to 24.999 Million	25 to 49.999 Million	50 to 74.999 Million	75 to 99.999 Million	100 Plus Million
New General Obligation Bonds							
Fee for Underwriting when there is no Financial Advisor	up to \$35,000	\$6.40 (minimum \$25,000)	\$5.60	\$5.25	\$4.75	\$4.50	\$4.00
Fee for Financial Advisor	up to \$25,000	\$3.00 (minimum \$25,000)	\$2.00 (minimum \$30,000)	\$1.50 (minimum \$50,000)	\$1.30 (minimum \$75,000)	\$1.25 (minimum \$97,500)	\$1.10 (minimum \$125,000)
Fee for Underwriting when there is a Financial Advisor	up to \$20,000	\$5.90 (minimum \$20,000)	\$5.15	\$4.75	\$4.25	\$4.10	\$3.65

New Revenue Bonds							
Fee for Underwriting when there is no Financial Advisor	up to \$45,000	\$9.00 (minimum \$35,000)	\$7.90	\$6.80	\$5.75	\$5.25	\$4.75
Fee for Financial Advisor	up to \$30,000	\$3.50 (minimum \$30,000)	\$2.50 (minimum \$35,000)	\$2.25 (minimum \$62,500)	\$1.80 (minimum \$112,500)	\$1.55 (minimum \$135,000)	\$1.20 (minimum \$155,000)
Fee for Underwriting when there is a Financial Advisor	up to \$25,000	\$7.00 (minimum \$20,000)	\$5.90	\$5.30	\$4.75	\$4.25	\$4.00

New Certificates of Participation (Lease Purchase)							
Fee for Underwriting when there is no Financial Advisor	up to \$40,000	\$9.50 (minimum \$30,000)	\$8.40	\$7.30	\$6.00	\$5.50	\$5.00
Fee for Financial Advisor	up to \$30,000	\$3.50 (minimum \$30,000)	\$2.50 (minimum \$35,000)	\$2.25 (minimum \$62,500)	\$1.80 (minimum \$112,500)	\$1.55 (minimum \$135,000)	\$1.20 (minimum \$155,000)
Fee for Underwriting when there is a Financial Advisor	up to \$27,500	\$7.50 (minimum \$20,000)	\$6.40	\$5.80	\$5.25	\$4.75	\$4.50

	Less than 2 Million	2 to 9.999 Million	10 to 24.999 Million	25 to 49.999 Million	50 to 74.999 Million	75 to 99.999 Million	100 Plus Million
Refinancing General Obligation Bonds							
Fee for Underwriting when there is no Financial Advisor	up to \$40,000	\$7.40 (minimum \$30,000)	\$6.60	\$6.25	\$5.50	\$5.15	\$4.50
Fee for Financial Advisor	up to \$30,000	\$3.10 (minimum \$30,000)	\$2.10 (minimum \$35,000)	\$1.60 (minimum \$52,500)	\$1.40 (minimum \$80,000)	\$1.35 (minimum \$105,000)	\$1.20 (minimum \$135,000)
Fee for Underwriting when there is a Financial Advisor	up to \$25,000	\$6.90 (minimum \$25,000)	\$6.15	\$5.75	\$5.00	\$4.75	\$4.15

Refinancing Revenue Bonds							
Fee for Underwriting when there is no Financial Advisor	up to \$50,000	\$10.50 (minimum \$40,000)	\$8.90	\$7.80	\$6.50	\$5.90	\$5.25
Fee for Financial Advisor	up to \$35,000	\$3.60 (minimum \$35,000)	\$2.60 (minimum \$40,000)	\$2.35 (minimum \$65,000)	\$1.90 (minimum \$117,500)	\$1.65 (minimum \$142,000)	\$1.30 (minimum \$165,000)
Fee for Underwriting when there is a Financial Advisor	up to \$30,000	\$8.00 (minimum \$25,000)	\$6.90	\$6.30	\$5.50	\$4.90	\$4.50

Refinancing Certificates of Participation (Lease Purchase)							
Fee for Underwriting when there is no Financial Advisor	up to \$45,000	\$10.50 (minimum \$35,000)	\$9.40	\$8.30	\$6.75	\$6.15	\$5.50
Fee for Financial Advisor	up to \$35,000	minimum \$35,000	\$2.60 (minimum \$40,000)	\$2.35 (minimum \$65,000)	\$1.90 (minimum \$117,500)	\$1.65 (minimum \$142,500)	\$1.30 (minimum \$165,000)
Fee for Underwriting when there is a Financial Advisor	up to \$32,500	\$8.50 (minimum \$25,000)	\$7.40	\$6.80	\$6.00	\$5.40	\$5.00

Services and Fees	
Override Election Services Per Hour	Included in the above fees for no extra charge, contingent upon a debt financing being completed during the term of the contract.
Other Charges for Services you may provide	Debt Defeasance - \$7,500 minimum plus \$1,000 for each additional debt issue.
	Federal Tax Credit Financings (QZABs, QSCBs, CREBs, etc.), Private Lease Purchase Agreements (including Performance Contracting/Energy Savings) - Financial Advisor fee: up to 2% of total loan. Placement Agent fee: up to 2% of total loan.
	Escrow Restructuring - Lesser of 0.25% of escrow value and 10% of net cost savings (\$25,000 minimum)
	Tax Anticipation Notes – Financial Advisor: \$1.00 per \$1,000, \$10,000 min; Underwriter: \$2.00 per \$1,000, \$10,000 min
Value Added Services and Number of Hours Included	In addition to assistance with M&O and capital outlay override elections, we also provide a membership in the School Capital Finance Support Service and the additional services listed on p. 28. These services are not limited to a specific number of hours and are available for members anticipated to complete a debt financing during the term of the contract.
Fee for Additional Hours of Value Added Services	\$96 - \$200 per hour for School Finance Consulting Services outside of the School Capital Finance Support Service (see p. 28-29 for details) and \$100-\$250 for hourly banking support services outside those described directly above and on page 29. These hourly rates also apply to other municipalities for non-financing related services.
List all items that you would expect to be reimbursed for during the course of the resulting contract	<ul style="list-style-type: none"> Assembly and publishing of Official Statement or placement memorandum (typically not exceeding \$25,000) Costs of issuance that we pay at the request of the issuer, such as rating agency or counsel fees DTC/CUSIPs/Other Industry Fees Travel expenses (i.e., rating trips) Fed Ex/UPS Charges Telephone conference calls Auditor’s Consent (if requested) Assembly of term sheet or other disclosure documentation (when applicable)

Notes:

Adjustments to fees listed above for underwriting, placement agent or financial advisor (as applicable):

- The underwriting and financial advisor fee for any issuance will not be lower than fees stated for smaller financing sizes.
- Impact Aid Revenue Bonds less than \$25 million -- add up to \$3.00 per \$1,000 and \$6,000 to the minimum.
- Amortizations of longer than 10 years – add up to \$0.30 per \$1,000 for each year above 10 years.
- Uninsured financings or financings with insurance rated less than AAA– add:
 - Up to \$2.50 per \$1,000 and \$5,000 to the minimum for underlying AA- or Aa3 credit rating
 - Up to \$5.00 per \$1,000 and \$10,000 to the minimum for underlying A category credit rating
 - Up to \$10.00 per \$1,000 and \$15,000 to the minimum for underlying BBB or Baa category credit rating
 - Up to \$20.00 per \$1,000 and \$20,000 to the minimum without any underlying credit rating
- Supplemental interest certificates, capital appreciation securities, convertible capital appreciation securities, stepped coupon securities or securities with taxable interest – add up to \$2.50 per \$1,000.
- Securities sold more than 6 weeks prior to delivery (forward delivery securities) – add up to \$2.50 per \$1,000 to reflect market rates at the time of the sale, as negotiated with and approved by the issuer.
- For large volume underwriting clients, in excess of \$80 million every two years, the Firm may be able to negotiate somewhat reduced underwriting fees, depending on market conditions at the time.
- Underwriting fees do not include the cost of underwriter’s counsel.

For assistance with complex financings in any role or unique requests outside traditional value added services, the Firm would negotiate a fair amount of additional compensation with the issuer. Complex financings include, but not limited to: (1) title or real estate issues, (2) water company acquisitions, (3) tax increment or land based security (special districts), (4) public/private partnerships (for-profit, non-profit, governmental purpose facilities) or (5) other circumstances requiring a significantly higher degree of complexity or effort (e.g., requests to attend an unusually large number of meetings).



PLEASE BE COMPLETE

AUTHORIZED SIGNATURE: _____

Robert A. Casillas

PRINTED NAME: **Robert Casillas** _____

TITLE: **Managing Director** _____

DATE: **May 14, 2013** _____

EMAIL: **rcasillas@stifel.com** _____

My signature binds my firm to the terms and conditions within this proposal at the fees set forth. All fees shall remain firm for the first year and for each of the four possible extensions of this contract.

TAB 6 - ATTACHMENTS

1. *Offer & Acceptance Sheet*
 2. *Drug Free Workplace*
 3. *Deviations/Expectations*
 4. *Acknowledgement of Addendum (no addendums were issued, so the Acknowledgment is not included)*
 5. *Non-Collusion Statement*
 6. *Cost Proposal (See Tab 5 and separate sealed envelope)*
 7. *RFP Acknowledgement*
 8. *W-9 Form*
-

	OFFER AND ACCEPTANCE		Crane School District #13 Purchasing Office 4250 W. 16 th St. Yuma, AZ 85364 928-373-3415 Fax: 928-783-8465
	RFP: C-007-1213 PROJECT: INVESTMENT BANKING SERVICES	Page 40 Of 44	

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications, and amendments in the Solicitation and any written exceptions in the offer.

Arizona Sales License No. _____

For clarification of this offer

Company is: (Please check all that apply)

- Corporation
- Partnership
- Limited Partnership
- Sole Proprietorship
- Other (Please explain)

Robert A. Casillas

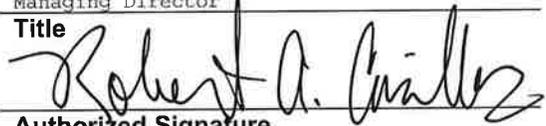
Printed Name

602-794-4001

Phone

Managing Director

Title



Authorized Signature

Stifel, Nicolaus & Company, Incorporated

Company Name

2555 East Camelback Road, Suite. 280

Address

Phoenix, AZ 85016

City, State, Zip Code

Arizona Offerors Only

Sales Tax % to be applied: _____ N/A

CERTIFICATION

By signature in the Offer section above, the offeror certifies:

The submission of the Proposal did not involve collusion or other anti-competitive practices. The offeror shall not discriminate against any employee or applicant for employment in violation of State Executive Order 99-4, 2000-4 or A.R.S. §§ 41-1461 through 1465. The offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the Proposal with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.

DISTRICT'S ACCEPTANCE OF OFFER (For District Purposes Only):

The Proposal is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Proposal as accepted by the School District/public entity. This contract shall henceforth be referred to as Contract No. CESD RFP #: C-007-1213. The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document, or written notice to proceed. **Awarded this _____ day of _____, 20_____.**

Jennifer Bosch • Procurement Manager • Crane Schools • Date

RFP: C-007-1213 – INVESTMENT BANKING SERVICES

Sealed Proposal Due: Tuesday, May 14, 2013 at 2:00 P.M. Mountain Standard Time

	ATTACHMENT A: DRUG FREE WORKPLACE		Crane School District #13 Purchasing Office 4250 W. 16 th St. Yuma, AZ 85364 928-373-3415 Fax: 928-783-8465
	RFP: C-007-1213 PROJECT: INVESTMENT BANKING SERVICES	Page 33 Of 44	

DRUG-FREE WORKPLACE CERTIFICATION

Preference must be given to vendors submitting a certification with their bid/proposal certifying they have a drug-free workplace. The special condition is as follows:

IDENTICAL TIE PROPOSALS - Preference shall be given to businesses with drug-free workplace programs. Whenever two or more bids, which are equal with respect to price, quality, and service for the procurement of commodities or contractual services, a bid received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. Established procedures for processing tie bids will be followed if none of the tied vendors have a drug-free workplace program, a business shall:

- 1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specify the actions that will be taken against employees for violations of such prohibition.
- 2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
- 3) Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
- 4) In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- 5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
- 6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

Stifel, Nicolaus & Company, Incorporated

COMPANY NAME

Robert A. Anillo

VENDOR'S SIGNATURE

Must be executed and returned with attached proposal at time of bid opening to be considered.

 	ATTACHMENT F: DEVIATIONS/EXCEPTIONS		Crane School District #13 Purchasing Office 4250 W. 16 th St. Yuma, AZ 85364 928-373-3415 Fax: 928-783-8465
	RFP: C-007-1213 PROJECT: INVESTMENT BANKING SERVICES	Page 42 Of 44	

Please use this space to list any deviations or exceptions for any item listed under "SCOPE OF SERVICES". The item number must be listed and any deviation/exception or inability of the consultant to handle that particular item, must be clearly and fully stated. Failure to show specific deviations indicates full compliance with this solicitation.

Acknowledgement

Robert A. Casillas / Robert A. Casillas
Signature / Printed Name

5-10-13

Date

	NONCOLLUSION AFFIDAVIT		Crane School District #13 Purchasing Office 4250 W. 16 th St. Yuma, AZ 85364 928-373-3415 Fax: 928-783-8465
	RFP: C-007-1213 PROJECT: INVESTMENT BANKING SERVICES	Page 41 Of 44	

State of Arizona)
)
 County of) ss.

Robert A. Casillas, affiant,
 (Name)

the Managing Director
 (Title)

Stifel, Nicolaus & Company, Incorporated
 (Contractor/Vender)

the persons, corporation, or company who makes the accompanying Offer, having first been duly sworn, deposes and says:

That such Proposal is genuine and not sham or collusive, nor made in the interest of, or behalf of, any persons not herein named, and that the Offeror has not directly or indirectly induced or solicited any other Offeror to put in a sham bid, or any other person, firm or corporation to refrain from bidding, and that the Offeror has not in any manner sought by collusion to secure for itself an advantage over any other Offeror.

[Handwritten Signature]
 (Name)

Managing Director
 (Title)

Subscribed and sworn to before me
 this 10th day of May, 2013

[Handwritten Signature]
 Signature of Notary Public in and for the

State of Arizona
 County of Maricopa



 	ATTACHMENT C: COST PROPOSAL		Crane School District #13 Purchasing Office 4250 W. 16 th St. Yuma, AZ 85364 928-373-3415 Fax: 928-783-8465
	RFP: C-007-1213 PROJECT: INVESTMENT BANKING SERVICES	Page 35 Of 44	

ABOUT YOUR FIRM

I. Name of Firm: Stifel, Nicolaus & Company, Incorporated

Address: 2555 E. Camelback Road, Suite 280, Phoenix, AZ 85016

Phone and Fax: 602-794-4000 / 602-794-4046

Web address: www.stifel.com

II. Staff:
Personnel on staff and number of years of experience in the field who would be assigned to the account.

Please see Tab 2

Name	# of Years Experience
Name	# of Years Experience
Name	# of Years Experience

III. List of Arizona School District and/or other Arizona Political Subdivisions for whom you have performed services in the last four years.

Date	Arizona School District / Arizona Political Subdivision	Par Value	Security Type	Sale Type	Role	Staff Assigned
	Please see Appendix C					

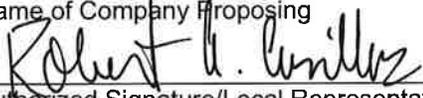
 	ATTACHMENT D: RFP ACKNOWLEDGEMENT		Crane School District #13 Purchasing Office 4250 W. 16 th St. Yuma, AZ 85364 928-373-3415 Fax: 928-783-8465
	RFP: C-007-1213 PROJECT: INVESTMENT BANKING SERVICES	Page 38 Of 44	

I/We, the undersigned, propose to provide the services necessary for the scope of work and specifications.

I/We further declare that I/we have carefully read and examined all information to the referenced Request for Proposal. I/We agree to comply with the Districts rules, regulations and policies.

Would you be willing to allow other members of the "YEPA" and/or "SAVE" cooperative to utilize this RFP and purchase from the contract if awarded through this RFP*? Yes No

*Your response to this question will not be used as part of the evaluation criteria. It is our intent, as a member of the "YEPA" and "SAVE", to issue this Proposal on behalf of these cooperatives to allow the other districts the opportunity to save time, effort and paperwork by combining our purchasing power, whenever possible.

<u>Stifel, Nicolaus & Company, Incorporated</u>	<u>5-10-13</u>
Name of Company Proposing	Date Signed
	
Authorized Signature/Local Representative	
	<u>602-794-4000/602-794-4046</u>
	Telephone/Fax Number
<u>Robert A. Casillas, Managing Director</u>	<u>rcasillas@stifel.com</u>
Type Name and Position Held with Company	Email
<u>2555 East. Camelback Road, Suite 280</u>	<u>Phoenix</u> <u>AZ</u> <u>85016</u>
Mailing Address	City State Zip

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return) Stifel, Nicolaus & Company, Inc.	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification (required): <input type="checkbox"/> Individual/sole proprietor <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶ _____	
	Address (number, street, and apt. or suite no.) 501 N. Broadway	Requester's name and address (optional)
City, state, and ZIP code St Louis, MO 63102		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)																				
Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="9" style="text-align: center;">Social security number</td> </tr> <tr> <td style="width: 20px; height: 20px;"></td> </tr> </table>	Social security number																		
Social security number																				
Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="9" style="text-align: center;">Employer identification number</td> </tr> <tr> <td style="width: 20px; height: 20px;">4</td> <td style="width: 20px; height: 20px;">3</td> <td style="width: 20px; height: 20px;">-</td> <td style="width: 20px; height: 20px;">0</td> <td style="width: 20px; height: 20px;">5</td> <td style="width: 20px; height: 20px;">3</td> <td style="width: 20px; height: 20px;">8</td> <td style="width: 20px; height: 20px;">7</td> <td style="width: 20px; height: 20px;">7</td> <td style="width: 20px; height: 20px;">0</td> </tr> </table>	Employer identification number									4	3	-	0	5	3	8	7	7	0
Employer identification number																				
4	3	-	0	5	3	8	7	7	0											

Part II Certification	
Under penalties of perjury, I certify that:	
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and 3. I am a U.S. citizen or other U.S. person (defined below).	
Certification Instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA); and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the Instructions on page 4.	

Sign Here	Signature of U.S. person ▶ <i>Ronald N Burkemper</i>	Date ▶ <i>5/24/12</i>
------------------	--	-----------------------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

APPENDIX A

SAMPLE WORK PRODUCTS

LAUREN POST
DIRECTOR
LPOST@STIFEL.COM

Weekly Wrap-Up

Last Tuesday's \$1.2 billion of tax-exempt Midwestern Disaster Area Bonds issued by the Iowa Finance Authority found a ready market as investors looking for yield, liquidity, and diversification eagerly bought the "junk" paper. Rated below investment-grade at BB- by both Standard & Poor's and Fitch, the issue was thrice over-subscribed and achieved a final average rate of 5.12%. Later in the week the bonds traded higher by as much as 40 basis points in the secondary market.

The Authority issue was sold on behalf of the for-profit Iowa Fertilizer Co. owned by Egypt-based Orascom Construction Industries. Proceeds will be used to construct a new nitrogen fertilizer manufacturing plant in Lee County beginning in 2015. The financing was one of the largest private-activity, sub-investment-grade municipal bond issues ever to come to market. Orascom's international experience, low natural gas prices (needed for production), and strong Midwestern demand for fertilizer were considered part of the deal's strong fundamentals. Credit risks disclosed to investors included commodity cost volatility, the potential for a future glut of nitrogen fertilizer, the hazards of nitrogen products, and Egyptian political unrest.

In other news from the Midwest last week, the Illinois House of Representatives passed a wide-ranging package of pension reform measures designed to slash unfunded liabilities and rein in rising annual pension payments. Passage in the State Senate is uncertain, despite Illinois being at the bottom of the heap – vis-à-vis other states – with a funded ratio of 40%. Rising pension payments are expected to consume 19% of the state's general fund if they remain unchecked. Illinois's general obligation rating is the lowest in the nation, in part due to the burden of its pension obligations.

Municipal bonds ended the week on a slightly weaker note as Friday's better-than-expected employment data prompted more risk-on trading. Yields on the MMD triple-A G.O. scale finished up to three basis points higher: the 10-year yield increased two basis points to 1.68% and the yield on the 30-year rose three basis points to 2.82%. Treasuries sold off sharply on the employment news: the benchmark 10-year was up 12 basis points to end the week at 1.75% and the 30-year yield spiked 14 basis points to finish at 2.96%.

Looking Ahead

In late-breaking news today it was announced that the Securities and Exchange Commission (SEC) has charged Harrisburg, Pennsylvania with securities fraud for releasing misleading public information as the city's financial condition deteriorated. This marks the first time the SEC has charged a municipality for misleading statements made outside of its securities disclosure documents. The charge indicates that the state did not provide accurate and timely material information to investors, and made misleading statements about its credit rating and debt payments.

This week's new-issue municipal calendar is light at \$4.97 billion, and the 30-day supply manageable. The largest transaction scheduled to price in the days ahead is a taxable \$300 million Build Illinois sales-tax revenue bond rated A2/AAA/AA+ by Moody's/S&P/Fitch. The deal will be sold competitively on Thursday. Illinois sales tax revenues have been rising, consistent in their growth with the average increase nationally according to the most recent U.S. Census Bureau data.

Also from the Prairie State this week will come \$152 million of revenue bonds from the Illinois Finance Authority on behalf of the University of Chicago. This negotiated Aa1/AA/AA+ transaction is scheduled to price tomorrow.

The Colorado Regional Transportation District plans to sell \$202 million of sales tax refunding bonds on Wednesday. Originally sold to finance a FasTrak rail and bus transit project, the new series is rated Aa2/AA+/AA.

Disclosures and Disclaimers

The Fixed Income Capital Markets trading area of Stifel, Nicolaus & Company, Incorporated may own debt securities of the borrower or borrowers mentioned in this report and may make a market in the aforementioned securities as of the date of issuance of this research report.

Stifel has received compensation in the past twelve months, or expects to receive compensation in the next three months, for investment banking services from one or more of the borrowers mentioned in this report

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Stifel Fixed Income Capital Markets research and strategy analysts (“FICM Analysts”) are not compensated directly or indirectly based on specific investment banking services transactions with the borrower or borrowers mentioned in this report or on FICM Analyst specific recommendations or views (whether or not contained in this or any other Stifel report), nor are FICM Analysts supervised by Stifel investment banking personnel; FICM Analysts receive compensation, however, based on the profitability of both Stifel (which includes investment banking) and Stifel FICM. The views, if any, expressed by FICM Analysts herein accurately reflect their personal professional views about subject securities and borrowers. For additional information on investment risks (including, but not limited to, market risks, credit ratings and specific securities provisions), contact your Stifel financial advisor or salesperson.

Please visit the Research Page at www.stifel.com for the current research disclosures applicable to the companies mentioned in this publication that are within Stifel’s coverage universe.

Additional Information Is Available Upon Request

I, Lauren Post, certify that the views expressed in this research report accurately reflect my personal views about the subject securities or issuers; and I certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Quote of the Day: "If you don't drive your business, you will be driven out of business." -- B. C. Forbes

Yesterday's Closing Results

	5/3/2013	5/6/2013	Change (bps)
DJIA	14973.96	14968.89	-0.03%
3-mo. T-bill	0.05%	0.03%	-2
6-mo. T-bill	0.08%	0.07%	-1
2yr T-note	0.22%	0.21%	0
5yr T-note	0.72%	0.73%	1
10yr T-note	1.74%	1.76%	2
30yr T-note	2.95%	2.98%	2
Federal Funds Target	0.25	0.25	0
Prime Rate	3.25%	3.25%	0
LIBOR (3-mo.)	0.28%	0.28%	0
10yr Futures Contract	132.859	132.672	-0.14%

Swap Spreads

	5/3/2013	5/6/2013	Change (bps)
2-year	14	14	1
5-year	16	17	0
10-year	18	18	0
30-year	-7	-6	0

Source: Bloomberg Finance L.P.

Yield Curve Projections

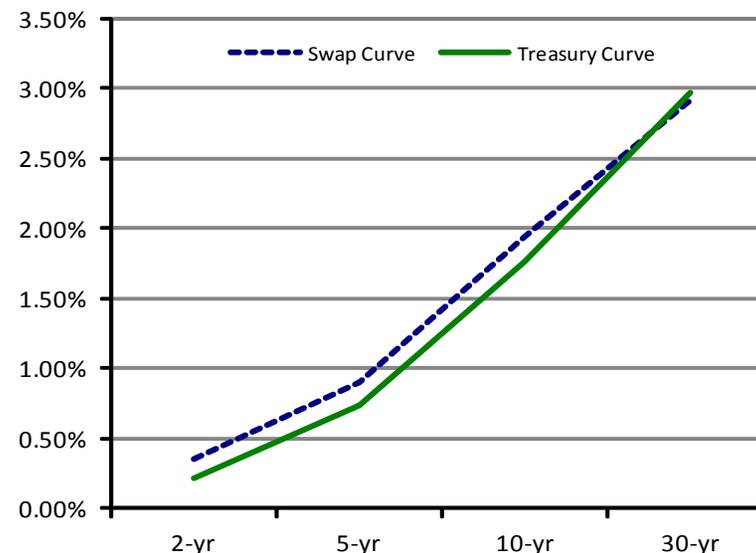
	2Q13	3Q13	4Q13	1Q14
Fed Funds	0.25%	0.25%	0.25%	0.25%
2-year	0.15%	0.20%	0.25%	0.30%
5-year	0.55%	0.60%	0.70%	0.75%
10-year	1.50%	1.60%	1.70%	1.80%
30-year	2.65%	2.75%	2.90%	3.00%
2s to 10s	+135 bps	+140 bps	+145 bps	+150 bps

*Updated as of May 1, 2013

Source: Stifel Fixed Income Research and Strategy Group

Bond Market Benchmarks

(as of 3 pm the previous business day)



Source: Bloomberg Finance L.P.

RESEARCH & STRATEGY HIGHLIGHTS:

- The Municipal Market Observer – May 6, 2013
- The Depository Investor – May 2, 2013
- Treasury/Agency Market Daily – May 2, 2013
- The Stifel Mortgage Indicator – May 2, 2013
- The Municipal Market Observer – April 29, 2013
- Stifel Consumer Non-Cyclical: Earnings Calendar & Relative Value Charts
- Credit Weekly – April 29, 2013
- Themes for 1Q 2013 Bank Earnings – April 25, 2013
- MDLZ/PEP Combo Speculation Unlikely Credit Negative – April 23, 2013
- Agency Prepayment Report – April 2013

ECONOMIC CALENDAR

Date	Time	Event	Survey	Actual	Prior
Friday 05/03	8:30	Change in Nonfarm Payrolls	140K	165K	88K
	8:30	Two-Month Payroll Net Revision	--	114K	--
	8:30	Change in Private Payrolls	150K	176K	95K
	8:30	Change in Manufact. Payrolls	5K	0K	-3K
	8:30	Unemployment Rate	7.60%	7.50%	7.60%
	8:30	Avg Hourly Earning MOM All Emp	0.20%	0.20%	0.00%
	8:30	Avg Hourly Earning YOY All Emp	1.90%	1.90%	1.80%
	8:30	Avg Weekly Hours All Employees	34.6	34.4	34.6
	8:30	Change in Household Employment	--	293	-206
	8:30	Underemployment Rate (U6)	--	13.90%	13.80%
	10:00	Factory Orders	-2.90%	-4.00%	3.00%
10:00	ISM Non-Manf. Composite	54	53.1	54.4	
Tuesday 05/07	10:00	IBD/TIPP Economic Optimism	47.3	--	46.2
	10:00	JOLTs Job Openings	--	--	3925
	3:00	Consumer Credit	\$16.000B	--	\$18.139B
Wednesday 05/08	7:00	MBA Mortgage Applications	--	--	1.80%
Thursday 05/09	8:30	Initial Jobless Claims	335K	--	324K
	8:30	Continuing Claims	3018K	--	3019K
	8:45	Bloomberg May United States Economic Survey			
	9:45	Bloomberg Consumer Comfort	--	--	-28.9
	10:00	Wholesale Inventories	0.40%	--	-0.30%
	10:00	Wholesale Sales MoM	0.10%	--	1.70%
Friday 05/10	2:00	Monthly Budget Statement	\$106.0B	--	--
Monday 05/13	8:30	Advance Retail Sales	-0.20%	--	-0.40%
	8:30	Retail Sales Less Autos	0.10%	--	-0.40%
	8:30	Retail Sales Ex Auto & Gas	--	--	-0.10%
	8:30	Retail Sales "Control Group"	--	--	-0.20%
	10:00	Business Inventories	0.30%	--	0.10%
	-	Mortgage Delinquencies	--	--	7.09%
-	MBA Mortgage Foreclosures	--	--	3.74%	
Tuesday 05/14	7:30	NFIB Small Business Optimism	--	--	89.5
	8:30	Import Price Index (MoM)	-0.50%	--	-0.50%

TAXABLE TRADING COMMENTARY

Treasuries saw some downside follow-through on Monday after Friday's employment related rout and as the upcoming refunding supply weighed on the sector. The active issues were able to hold in near Friday's closes and above prevailing range lows as the session got started but faltered as the morning progressed with the street taking advantage of a defensive market to pressure it lower into the refunding. Volumes were light and trading was thin, however, and what selling pressure was occurring was able to take the long-end through range lows and toward deeper support. A wave of selling around the noon hour took the 10yr through 1.75% and to 1.77% as the issue moved through its 30day MA for the first time since March 15. The long-end also probed yield levels above the 200 day MA for the first time since trading below this long-term technical level in early April. At the close, 10yr and 30yr yields had finished above their 30day MA and the 200day MAs with the 10yr up another 2bps after finishing up 11bps on Friday.

Treasuries bounced during Asian hours last night with the 10yr yield declining from 1.77% to 1.75% on better buying reportedly from Japanese Fund managers after being on holiday yesterday. The Reserve Bank of Australia cut its benchmark interest rate another 25bps to a record low at 2.75% and the Aussie Dollar weakened in FX circles. As currency crosses fluctuated, the risk appetite repriced accordingly and commodities responded along with the carry trade. Gold is down \$9/oz, WTI crude is off \$0.50, and two-thirds of the CRB is showing red this morning. European equities are up fractionally while US stock futures are little changed.

The bond market has since lost its bid and has returned to Monday's lows at .75% on the 5yr and at 1.77% on the 10yr ahead of the New York open. Supply has taken the upper hand

as the street continues to prepare for auctions on the long-end and steepens the yield curve into it. Since Friday morning, the 2/10yr curve has steepened 11bps from +144bps to +155bps this morning. This auction set up was not unexpected although the swift jobs related selloff certainly helped the street's cause. The refunding will get underway with today's \$32bln 3yr auction and that sector has cheapened 5bps since Friday morning. That should be sufficient enough to attract adequate demand to place the issue without much difficulty. This week's data calendar is quiet so supply flows will dominate. The Fed will be in today with the first of two long-end purchases this week so that will help offset some of the weight of the refunding. Look for the long-end to hold near these levels and to press even lower during the refunding process for that will help to correct the overbought conditions that were prevalent into last week's strength. If you recall, the 1.80% to 1.83% area on the 10yr acted as solid resistance during the Jan-March period so it should provide good support now as we revisit this area. Buyers should look to scale in between 1.80% and 1.85% on the expectation that the bond friendly landscape will reassert itself once the refunding is out of the way.

MARTY MITCHELL, TAXABLE TRADING DESK



Source: Bloomberg Finance L.P.

HIGH YIELD COMMENTARY

If you were wondering if issuers were anxious to "hit the window," wonder no more. Nine New Issues hit the calendar Monday (not counting Ford's deal), and we could see more announced this morning.

Of the deals that priced, all were priced at the tight end, and traded to premiums. The calendar and earnings remain the two big drivers of market activity. Investors continue to play the calendar. When they get meaningful allocations the tendency is to hold, and when the allocation is in the 250-2mm range the reaction is to flip it.

JIM CURLEY, HIGH YIELD TRADING DESK

ECONOMIC COMMENTARY

Monday was a slow day for domestic economic releases but there were many globally. In the Eurozone, French industrial output fell 0.9% in March from a gain of 0.8% in February, coming up short of the consensus estimate of a 0.3% drop. A theme among many developed nations, the Netherlands reported that consumer-price inflation slowed to an annualized 2.6% last month, down from 2.9% in March. German factory orders rose in March for the second consecutive month. Seasonally adjusted orders rose 2.2% in February, exceeding the consensus estimate of a 0.5% advance. Monday also saw Eurozone PMI shrink with a reading of 46.9 in April, slightly up from 46.5 in March. The economic disconnect between stronger countries and the periphery in the EU continues and is evident in the latest case of Slovenia, which may seek an EU bailout if it cannot contain its fiscal shortcomings and weak banking sector.

The Reserve Bank of Australia cut its benchmark interest rate by 25bps to 2.75, a new low for the country, adding itself to the list of nations currently attempting to devalue its own currency in an attempt to keep itself competitive globally. The rise of the AUD has hampered the Australian manufacturing sector.

Tuesday will bring domestic economic reports on consumer credit, job openings, and economic optimism. The Bloomberg L.P. consensus estimate is for consumer credit to shrink to \$15.6B from \$18.139B in February.

MIKE SUTTER, ANALYST

MUNICIPAL COMMENTARY

The municipal market succumbed to the pressure in the treasury market of the last two trading sessions. The MMD was cut from 2018 through the end of the curve with the most substantial cuts through the 10 year range and on the long end. The cuts were 4 to 6 basis points 2019 through 2043.

The lighter supply figures, both this week's \$4 Billion and the 30 day supply of \$7.2 Billion, are on the lighter side. Ratios cheapened slightly. The market continues to monitor the outflows from municipal bond funds as we move away from the usual tax day effect to see if the trend is going to continue.

ALAN MURPHY, MUNICIPAL TRADING DESK

Spreads Update

	Yesterday	Day Prior	Week Prior	Weekly	52 Week			Yesterday		Yesterday	Day Prior	Week Prior	Weekly	52 Week			Yesterday
	5/6/2013	5/3/2013	4/29/2013	Change	High	Low	Avg.	vs. Avg.		5/6/2013	5/3/2013	4/29/2013	Change	High	Low	Avg.	vs. Avg.
Agencies									ABS†††								
2 yr BenchMark Agency	3	2	2	1	10	2	5	-2	1 yr Credit Cards (Euro +)	4	4	4	0	4	1	2	2
3 yr BenchMark Agency	7	7	7	0	19	3	9	-2	2 yr Credit Cards	11	11	11	0	11	5	8	3
5 yr BenchMark Agency	11	12	12	-1	31	10	18	-7	3 yr Credit Cards	14	14	14	0	14	9	12	2
10 yr BenchMark Agency	3	3	3	0	44	-3	17	-14	5 yr Credit Cards	27	27	27	0	29	23	26	1
2 NC 1 Callable Agency	-9	-10	-10	1	19	-14	-3	-6	10 yr Credit Cards	40	40	40	0	43	36	41	-1
3 NC 1 Callable Agency	-1	-3	-3	2	30	-8	4	-5	1yr Autos (Euro +)	6	6	6	0	6	2	4	2
5 NC 1 Callable Agency	16	14	14	2	47	7	20	-4	2 yr Autos	14	14	14	0	16	5	10	4
5 NC 2 Callable Agency	8	7	7	1	36	1	11	-3	3 yr Autos	17	17	17	0	23	10	16	1
7 NC 3 Callable Agency	13	15	15	-2	37	0	13	0	Corporates,								
10 NC 1 Callable Agency	37	36	36	1	69	16	38	-1	2 yr A Industrials	36	36	35	1	112	24	35	0
Swaps,									2 yr BBB Industrials	84	91	94	-10	120	74	97	-13
2 yr Swaps	14	14	14	1	39	9	18	-4	5 yr A Industrials	71	71	70	1	95	61	72	-1
3 yr Swaps	14	14	14	1	37	9	17	-3	5 yr BBB Industrials	129	141	143	-14	167	131	148	-19
5 yr Swaps	17	16	15	1	38	10	19	-2	10 yr A Industrials	95	96	95	0	123	80	95	0
10 yr Swaps	18	18	17	1	22	1	10	8	10 yr BBB Industrials	161	177	179	-19	201	163	180	-19
30 yr Swaps	-6	-7	-7	0	-4	-31	-20	14	2 yr AA Financials	36	38	39	-3	104	32	56	-20
MBS: Pass-Throughs									2 yr A Financials	43	44	44	-1	114	43	69	-26
FN 15 yr 2.0%****	87	85	85	2	93	79	86	1	2 yr BBB Financials	105	110	108	-3	254	104	171	-66
FN 15 yr 2.5%****	84	83	82	2	100	80	88	-4	5 yr AA Financials	71	72	73	-2	135	66	92	-21
FN 15 yr 3.0%	86	87	82	4	123	55	90	-4	5 yr A Financials	75	76	74	0	147	74	103	-28
FN 15 yr 3.5%	89	91	88	1	112	31	79	10	5 yr BBB Financials	164	169	172	-8	293	168	227	-63
FN 30yr 3.0%****	136	134	134	2	147	127	135	1	10 yr AA Financials	100	102	103	-3	166	97	126	-26
GN 30yr 3.0%****	93	93	93	0	109	85	95	-2	10 yr A Financials	107	108	108	-1	177	107	136	-29
FN 30yr 3.5%	126	121	119	7	185	65	133	-7	10 yr BBB Financials	171	177	179	-9	300	175	230	-59
GN 30yr 3.5%	93	89	85	8	144	59	102	-9	2 yr A Utilities	38	38	38	0	91	30	51	-13
MBW: Sequential CMOs††									2 yr BBB Utilities	67	73	71	-4	131	66	90	-23
3yr SEQ 30yr GN 3.0%**	71	71	71	0	105	68	77	-6	5 yr A Utilities	61	61	61	0	116	58	78	-17
3yr SEQ 30yr GN 3.5%**	73	73	73	0	110	72	81	-8	5 yr BBB Utilities	131	137	135	-4	191	131	154	-23
3yr SEQ 15yr FN 3.5%	73	73	73	0	110	71	86	-13	10 yr A Utilities	105	106	106	-1	168	90	109	-3
3yr SEQ 15yr FN 3.0%***	71	71	71	0	75	68	71	0	10 yr BBB Utilities	159	165	163	-4	213	158	178	-20
3yr SEQ 20yr FN 3.0%***	76	76	76	0	95	74	79	-3	2 BBB yr Reit	122	125	127	-5	238	125	187	-65
3yr SEQ 20yr FN 3.5%**	81	81	81	0	115	79	86	-5	5 BBB yr Reit	167	170	171	-4	284	170	236	-69
10yr SEQ 30yr GN 3.0%**	85	85	85	0	95	75	80	5	Notes								
10yr SEQ 30yr GN 3.5%**	91	91	91	0	100	83	88	3	* High, low, and average calculations are based on data collected starting 05/02/2012.								
10yr SEQ 15yr FN 3.5%	75	75	75	0	85	64	74	1	** High, low, and average calculations are based on data collected starting 09/05/2012.								
10yr SEQ 15yr FN 3.0%****	72	72	72	0	73	60	65	7	*** High, low, and average calculations are based on data collected starting 09/20/2012								
10yr SEQ 20yr FN 3.0%****	82	82	82	0	85	70	79	3	**** High, low, and average calculations are based on data collected starting 03/21/2013.								
10yr SEQ 20yr FN 3.5%**	82	82	82	0	110	75	83	-1	† Swaps and Corporates data is provided by Bloomberg Finance L.P. Swap spreads are the midpoint spread.								
MBW: PAC CMOs assume a 2% coupon††									†† Sequentials are priced at current Bloomberg consensus. PACs are priced in the bands (assuming 100-250) and assume a 2% coupon. All CMO spreads assume month-end settle.								
3yr PAC 30yr GN 3.0%**	38	38	38	0	39	33	36	2	††† 1 yr AAA ABS spread to Euro curve and 2-10 yr AAA ABS spreads to swap curve.								
6yr PAC 30yr GN 3.0%**	77	77	77	0	81	65	74	3									
8yr PAC 30yr GN 3.0%**	96	96	96	0	97	75	85	11									
11yr PAC 30yr GN 3.0%**	93	93	93	0	94	80	84	9									
18yr PAC 30yr GN 3.0%**	96	96	96	0	97	80	87	9									

STIFEL

Fixed Income
Research & Strategy

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Credit ratings shown refer to a company’s senior indebtedness unless otherwise noted.

Stifel has received compensation in the past twelve months, or expects to receive compensation in the next three months, for investment banking services from one or more of the borrowers mentioned in this report.

[ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST](#)

Representative Name & Title:
Phone:
Address:
Week of May 6, 2013
UPCOMING ISSUANCE

\$300MM Illinois Sales Tax Taxable Rev, -/AAA/AA+, 2014-37
\$300MM Louisiana GO (169T/131TE), Aa2/AA/AA
\$202MM Regional Trans Dist, CO Rev (Fastracks Project), Aa2/AA+/AA
\$190MM Houston, TX Utility System Rev, Aa2/AA-/-
\$187MM Massachusetts Water Pollution Trust Rev, Aaa/AAA/AAE, 2014-43
\$156MM Beacon Health System, IN Hospital Rev, NR/AA-/AA-
\$152MM Illinois Fin Auth Rev - Univ of Chicago, Aa1/AA/AA+
\$147MM Maryland Health & Ed Rev - Medstar Health, A2/A-/A, 2014-38
\$142MM Cypress-Fairbanks, TX ISD GO PSF, Aaa/AAA (Aa2/AA-), 2016-27
\$90MM Northside, TX ISD GO PSF, Aaa/AAA/AAA (Aa1-/AA+), 2014-37
30-Day Visible Supply: \$6.7 Billion 7-Day Visible Supply: \$4.9 Billion

MAJOR ECONOMIC DATA

RELEASE	DAY	ESTIMATE	ACTUAL
Wholesale Inventories - Mar %	9-May	0.3	

TAXABLE MUNICIPAL GO/MAKE WHOLE TREASURY SPREAD

	5/5	10/10	20/30	30/30
AAA	35	65	54	71
AA	45	75	69	82
A	90	140	121	137
BBB	255	303	280	293

COMMENTARY

The Fixed Income markets reacted sharply toward higher rates following Friday's stronger than expected employment report. Municipal investors appeared to be more patient than US Treasury investors, showing a milder rise in rates. A lighter than average week of supply helped with the tone. New issue supply should be just under \$5 billion and the tax-exempt portion is estimated at \$4 billion. There is a noticeable lack of larger high grade GO debt on the calendar. Municipal Mutual Fund flows continue to be a concern. Lipper reported \$391 million of outflows for the week ending May 1, up from \$101 million of outflows the prior week. Supply in the US Treasury market may keep pressure on rates with \$32B-3 Year, \$24B-10 Year and \$16B-30 Year sales. Economic data is very light and all second tier.

RATE DATA

	TODAY	WEEK PRIOR	MONTH PRIOR	YEAR PRIOR
AAA GO				
2 YEAR	0.29	0.29	0.29	0.31
5 YEAR	0.73	0.74	0.75	0.80
10 YEAR	1.68	1.69	1.71	1.82
15 YEAR	2.23	2.28	2.32	2.41
20 YEAR	2.53	2.58	2.60	2.75
30 YEAR	2.82	2.87	2.93	3.15
US TREASURY				
2 YEAR	0.21	0.21	0.23	0.26
5 YEAR	0.73	0.67	0.70	0.78
10 YEAR	1.74	1.66	1.72	1.87
30 YEAR	2.96	2.85	2.89	3.06
FED FUNDS	0-0.25	0-0.25	0-0.25	0-0.25
PRIME RATE	3.25	3.25	3.25	3.25
MIG 1 - 1YR	0.20	0.20	0.20	0.20
MUB ETF	111.62	111.720	110.970	111.06
SIFMA 7DAY	0.19	0.22	0.11	0.22
MSRB 7DAY TRD	\$56,560MM	\$58,417MM	\$62,115MM	\$62,228MM
BOND BUYER INDEXES				
20 Bond GO¹	3.77	3.90	3.96	3.81
11 Bond GO²	3.54	3.67	3.73	3.59
25 Bond REV³	4.19	4.29	4.33	4.77
Placement Ratio	94.80	91.40	99.00	90.00

¹ GO bonds maturing in 20 years, avg. rating equivalent to Moody's Aa2 & S&P's AA

² GO bonds maturing in 20 years, avg. rating equivalent to Moody's Aa1 & S&P's AA+

³ Revenue bonds maturing in 30 years, avg. rating equivalent to Moody's A1 & S&P A+

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SAMPLE WORK

BOND SALE ONLINE ORDER MONITOR

Online Order Monitor



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ORDERS

[Deal Summary](#) > [View Monitor](#)

[View Monitor](#)

Deal Size: \$17,375,000 Deal Description

Maturity	Amount	Total Priority (\$000's)	Total Member (\$000's)	Total (\$000's)	Balance (\$000's)
07/01/2014	225	0	0	0	225
07/01/2017	1,000	0	2,275	2,275	-1,275
07/01/2018	1,000	0	2,450	2,450	-1,450
07/01/2019	3,500	0	8,170	8,170	-4,670
07/01/2020	1,265	0	2,490	2,490	-1,225
07/01/2021	1,300	0	3,350	3,350	-2,050
07/01/2022	1,275	0	5,750	5,750	-4,475
07/01/2023	3,260	0	7,620	7,620	-4,360
07/01/2024	2,000	0	2,050	2,050	-50
07/01/2025	2,550	0	4,100	4,100	-1,550
TOTAL:	17,375	0	38,255	38,255	225



\$20,675,000
SCHOOL IMPROVEMENT BONDS,
PROJECT OF 2011,
SERIES B (2013) AND TAXABLE SERIES C (2013)

SUMMARY OF SALE RESULTS

Closing Date:

April 23, 2013

STIFEL



\$20,675,000

**SCHOOL IMPROVEMENT BONDS, PROJECT OF 2011,
SERIES B (2013) AND TAXABLE SERIES C (2013)**

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A SUMMARY OF SALE RESULTS

- ~ Summary of Sale Results
- ~ Sources and Uses of Funds
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- ~ Estimated Costs of Issuance
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- ~ Standard & Poor's Rating Report

B BOND MARKET INFORMATION

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SAMPLE WORK

INFORMATION WITH RESPECT TO:

November 2, 2010 Class B Bonding Program

School Improvement Bonds

2013

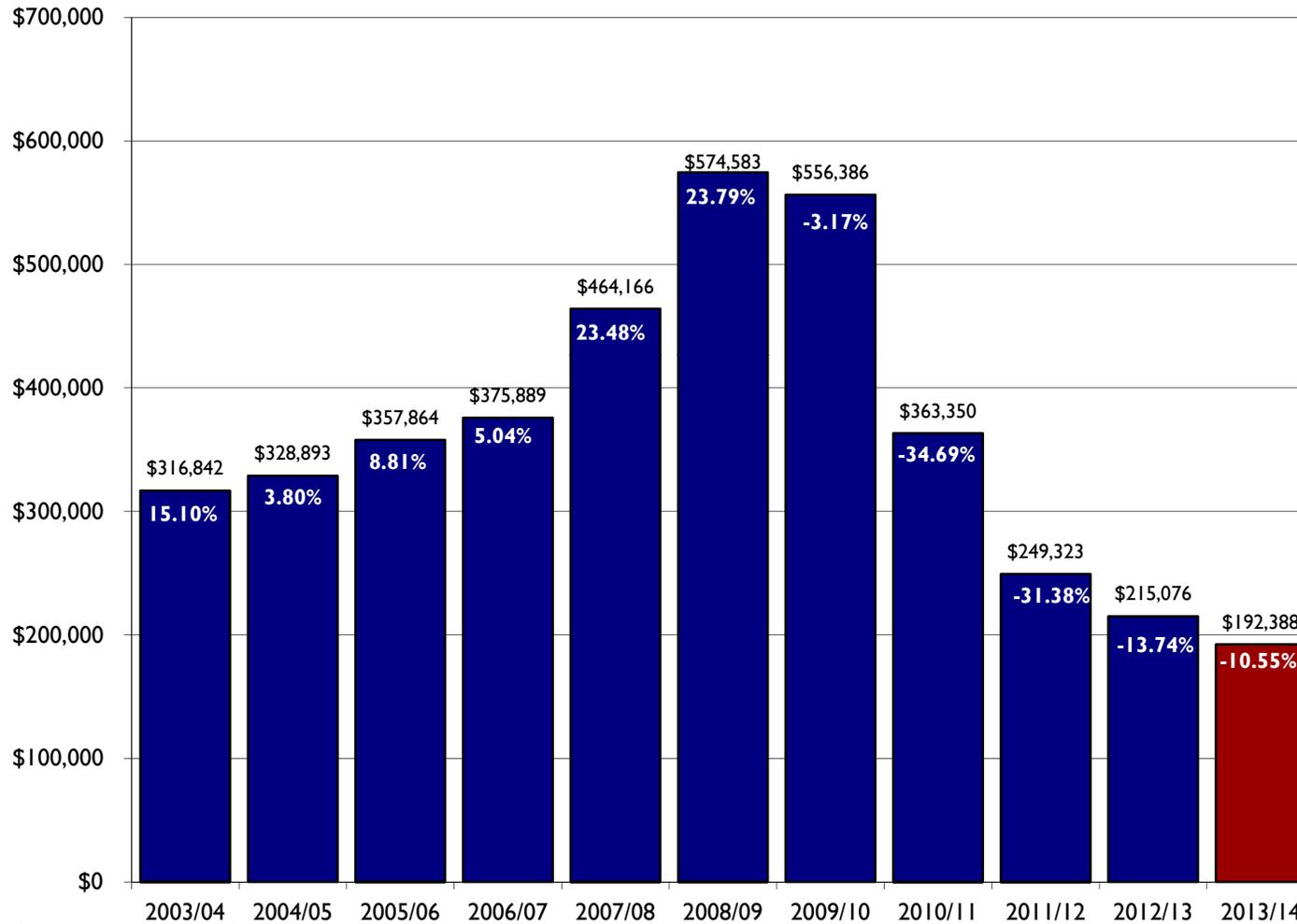
STIFEL

Summary of Results

- Election held on November 2, 2010 for \$27,815,000
- \$16,820,000 in Bonds issued in March 2011
- \$10,995,000 Remaining Bond Authorization
- Underlying Credit Rating “A” (S&P)
- Insured by Assured Guaranty Municipal Corp. –
Current S&P Rating: “AA-”

Historical Secondary Assessed Valuations (\$000s)

5-Year Average:	-18.71%
10-Year Average:	-2.86%



Source: State and County Assessor of the Assessment Roll, Arizona Department of Revenue and the County.

Fiscal Year 2013/14 provided by Assessor of the County.

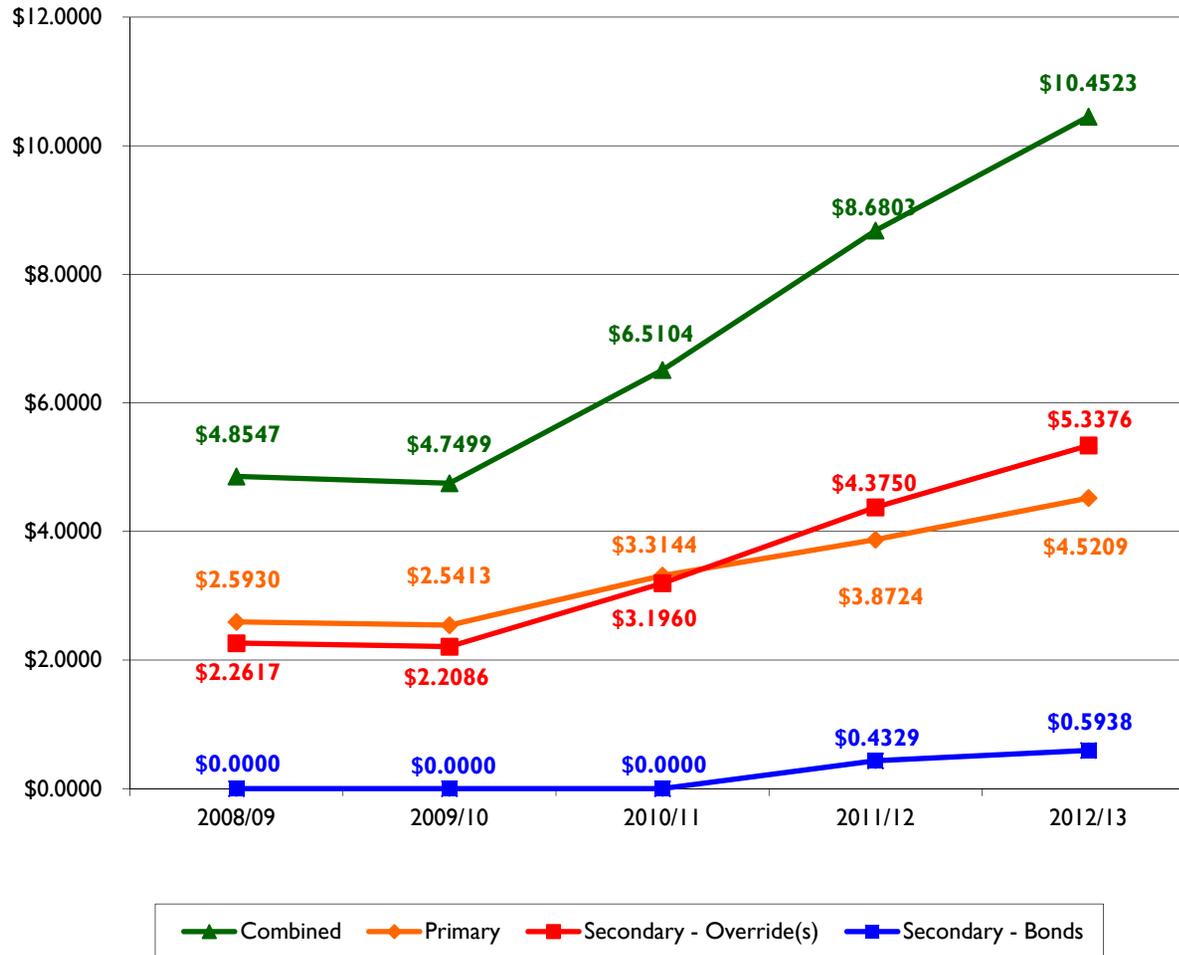
District Bonding Capacity – Statutory Debt Limitations

School District Class B Bond Limit

- Elementary School Districts: Greater of 5% of Secondary Assessed Valuation (SAV) or \$1,500 per Student based on last fiscal year

Greater of Test:	2012/13 SAV	2011/12 ADM
	\$215,076,189	17,148
Multiply by:	5%	\$1,500
Calculation Base:	\$10,753,809	\$25,722,000
Less: Outstanding Bonds	(16,820,000)	(16,820,000)
Total:	(6,066,191)	\$8,902,000

Historical Tax Rates



Five Year Average Tax Rate	
Primary Tax Rate	\$3.3684
Secondary - Override(s)	\$3.4758
Secondary - Bonds	\$0.2053
Combined Tax Rate	\$7.0495

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Foundation and the County.

Estimated Impact on the Tax Rate with Debt Service and Override

OPTION 1: Series (C) 2013 Sale 5-year Maturity and Series D (2014) Sale 5-year Maturity

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
		Bonds Currently Outstanding		\$8,900,000 School Improvement Bonds Project of 2010 Series B (2013) Bonds Dated: 4/10/13*		\$1,060,000 School Improvement Bonds Project of 2010 Series C (2013) Bonds Dated: 7/15/13*		\$1,035,000 School Improvement Bonds Project of 2010 Series D (2014) Bonds Dated: 7/15/14*		Estimated Combined		M&O 15% Override (MOO)		
Fiscal Year	Combined Valuation (a)(c)	Debt Service	Secondary Bond Tax Rate (b)	Principal	Estimated Interest (d)	Principal	Estimated Interest (e)	Principal	Estimated Interest (f)	Debt Service	Secondary Bond Tax Rate (b)	Levy Amount	Secondary Tax Rate (c)	Total Secondary Tax Rate (c)
2012/13	\$221,486,855	\$1,300,275	\$0.59							\$1,300,275	\$0.59	\$11,480,014	\$5.34	\$5.93
2013/14	198,670,259	1,529,575	0.77	\$0	\$436,100	\$325,000	\$20,376			2,311,051	1.16	11,500,000	5.79	6.95
2014/15	186,644,610	1,538,275	0.82	0	356,000	200,000	14,700	\$175,000	\$29,843	2,313,818	1.24	11,500,000	6.16	7.40
2015/16	184,240,865	1,538,675	0.84	0	356,000	160,000	10,700	200,000	25,800	2,291,175	1.24	11,500,000	6.24	7.49
2016/17	184,137,365	1,527,288	0.83	0	356,000	200,000	7,500	180,000	19,800	2,290,588	1.24	11,500,000	6.25	7.49
2017/18	186,692,471	1,531,288	0.82	0	356,000	175,000	3,500	225,000	14,400	2,305,188	1.23	11,500,000	6.16	7.39
2018/19	189,290,042	1,532,888	0.81	0	356,000			255,000	7,650	2,151,538	1.14	11,500,000	6.08	7.21
2019/20	191,930,634	1,530,038	0.80	265,000	356,000					2,151,038	1.12	11,500,000	5.99	7.11
2020/21	194,614,809	1,533,863	0.79	270,000	345,400					2,149,263	1.10	11,500,000	5.91	7.01
2021/22	197,343,143	1,535,863	0.78	280,000	334,600					2,150,463	1.09	11,500,000	5.83	6.92
2022/23	200,116,219	1,375,313	0.69	450,000	323,400					2,148,713	1.07	11,500,000	5.75	6.82
2023/24	202,934,633	1,371,669	0.68	475,000	305,400					2,152,069	1.06	11,500,000	5.67	6.73
2024/25	205,798,990	1,375,606	0.67	490,000	286,400					2,152,006	1.05	11,500,000	5.59	6.63
2025/26	208,709,905	1,376,588	0.66	510,000	266,800					2,153,388	1.03	11,500,000	5.51	6.54
2026/27	211,668,006	1,374,613	0.65	530,000	246,400					2,151,013	1.02	11,500,000	5.43	6.45
2027/28	214,673,928	1,374,681	0.64	550,000	225,200					2,149,881	1.00	11,500,000	5.36	6.36
2028/29	217,728,322	1,371,525	0.63	575,000	203,200					2,149,725	0.99	11,500,000	5.28	6.27
2029/30	220,831,846	1,375,144	0.62	600,000	180,200					2,155,344	0.98	11,500,000	5.21	6.18
2030/31	223,985,171	0	0.00	2,000,000	156,200					2,156,200	0.96	11,500,000	5.13	6.10
2031/32	227,188,979	0	0.00	1,905,000	76,200					1,981,200	0.87	11,500,000	5.06	5.93
		\$26,093,163		\$8,900,000		\$1,060,000		\$1,035,000						

(a) Fiscal year 2012/13 is actual. Fiscal year 2013/14 assumes -10-55% growth. Fiscal year 2014/15 assumes -5.00% growth, fiscal year 2015/16 assumes 0.00% growth, and subsequent years assume 1.50% growth. The SAV is also adjusted to reflect the following statutory assessment ratio phase downs: in class 1 from 25% in 2005/06 to 20% in 2011/12 and phase down beginning in 2013/14 to 18% in 2016/17; and class 2 from 16% in 2015/16 to 15% in 2016/17. (b) Secondary tax rates are per \$100 of assessed valuation. Subsequent years' projected tax rates are not adjusted for interest earnings, arbitrage rebate or delinquent tax collections (if any). (c) Includes the estimated Salt River Project in-lieu valuation and reduced by 2.00% annually. (d) Interest estimated at 4%. (e) Interest estimated at 2%. (f) Interest estimated at 3%.

Secondary Tax Rates FY 2011/12, FY 2012/13 & Est. FY 2013/14

	<u>FY 2011/12</u>	<u>FY 2012/13</u>	<u>FY 2013/14*</u>
District SAV (includes SRP)	<u>\$ 255,530,712</u>	<u>\$221,535,509</u>	<u>\$198,717,940</u>
Average Home Owner Annually Pays (Est.)	\$ 171.26	\$ 197.30	\$ 214.58
Average Commercial Property Annually Pays (Est.)	14,678.38	14,868.79	13,396.29
Total Secondary Tax Rate (a)	\$ 4.8079	\$ 5.9314	\$ 6.9501
Average Home Value	\$ 35,621	\$ 33,264	\$ 30,874
Average Commercial Property Value	\$ 1,526,486	\$ 1,253,397	\$ 988,463
Percent Change Average Home Value		-6.62%	-7.18%
Percent Change Commercial Property Value		-17.89%	-21.14%

* FY 2013/14 is estimated.

(a) Per \$100 of assessed valuation.

Next Steps in Preparing for a Financing

Bond Resolution Considered by Governing Board

- Wednesday, March 6, 2013

Preliminary Official Statement (POS) Published

- Thursday, March 7, 2013

Pre-pricing Call

- Week of March 11th or March 18th

Post-pricing Call

- Late morning day after Pre-Pricing Call

Bond Purchase Agreement Signed

- Afternoon/Evening on day of Post-Pricing Call

Bond Issue Closes (Funds Available)

- Week of April 8th

March 2013						
S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April 2013						
S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Disclaimer

Pursuant to revised Municipal Securities Rulemaking Board (“MSRB”) Rule G-23 (the “Rule”), in connection with new issues for which the time of formal award occurs after November 27, 2011, a broker, dealer, or municipal securities dealer (“dealer”) is prohibited from acting as a Financial Advisor or Municipal Advisor, as defined in Section 15B of the Exchange Act of 1934 (as amended), to an issuer for a particular issue sold on a negotiated or competitive bid basis and subsequently switching roles to act as underwriter or placement agent with respect to the same issue.

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Governing Board Work Study Session

School Improvement Bonds

Presented by:

STIFEL

2013

Phased Bonding Program

- Bond authorization lasts for 10 years
- Phased bonding program subject to change throughout program
 - Changes in secondary assessed valuation will directly influence impact on secondary bond tax rate
 - Phased sales allow flexibility to adjust to changing economic conditions, timing of capital improvement projects and prevailing District bond capacity
- Each sale subject to Governing Board approval
- For each bond sale, proceeds must be spent within 3 years from date of sale; bonds may not be amortized longer than 20 years
 - For FF&E Expenditures, bonds may not be amortized longer than 5 years
- Legislation proposed to temporarily increase bonding capacity limits

Bonding Capacity

Direct Bonded Debt, Legal Limitation and Unused Borrowing Capacity

2012/13 Arizona Constitutional Debt Limitation (30% of Secondary Assessed Valuation)	\$798,475,472
Less: Class A Bonds Outstanding	(23,415,000)
Less: Class B Bonds Outstanding	<u>(186,900,000)</u>
Unused 30% Constitutional Borrowing Capacity	<u>\$588,160,472</u>

Statutory Debt Limit and Unused Borrowing Capacity

2012/13 Statutory Limitation on Class B Bonds [Greater of 10% of the secondary assessed value (266,158,490) or \$1,500 per student (90,465,642)]	\$266,158,490
Less: Class B Bonds Outstanding	<u>(186,900,000)</u>
Unused 10% Statutory Class B Borrowing Capacity	<u>\$79,258,490</u>

Projected Debt Limit (Post 2013 Bonds)

Current Statutory Class B Bonding Capacity	\$79,258,490
Less: Series 2013 Bonds	<u>(46,000,000)</u>
Unused 10% Statutory Class B Borrowing Capacity	<u>\$33,258,490</u>

Proposed Projects for 2013 Sale

Project	Estimated Amount
Buses	\$7.5 M
Transportation Yard*	3.0
Student Related Technology Hardware	3.6
Switches for the Wide Area Network	5.6
Wireless Access Points	4.2
Wide Area Network Servers	1.3
Mesa Junior Demolition	4.0
Dobson Replacement Building*	3.0
Renovations	13.8
Total	\$46.0 M

* Multi-year projects; amounts shown are first year only.

SAMPLE WORK

Nov. 6, 2012 BOND PROGRAM FOR \$230.000 MILLION SALE
Assumes \$71.700 Million Maximum Amount Available for Technology, FF&E and Computers
SCENARIO 1 - Debt Service Requirements and Projected Impact on the Secondary Tax Rate

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	
Fiscal Year	Combined Valuation (a)(b)	Debt Service	Secondary Bond Tax Rate (c)	Principal	Estimated Interest (d)	Principal	Estimated Interest (e)	Principal	Estimated Interest (f)	Principal	Estimated Interest (g)	Principal	Estimated Interest (g)	Principal	Estimated Interest (g)	Debt Service	Secondary Bond Tax Rate (c)	Debt Service	Secondary Bond Tax Rate (c)	Net Class "B" Bonding Capacity (h)	Net Class "B" Bonding Capacity (i)	
2012/13	\$2,728,370,916	\$38,589,119	\$1.35															\$38,589,119	\$1.35	\$33,258,491	\$299,416,981	
2013/14	2,496,041,275	33,824,094	1.36	\$3,000,000	\$1,667,500											\$4,667,500	\$0.19	38,491,594	1.54	109,099	243,168,197	
2014/15	2,595,014,147	33,500,331	1.29	3,000,000	1,290,000	\$1,500,000	\$1,993,333									7,783,333	0.30	41,283,665	1.59	7,777,286	260,864,573	
2015/16	2,697,964,910	32,404,731	1.20	4,000,000	1,200,000	2,000,000	1,780,000		\$1,657,500							10,637,500	0.39	43,042,231	1.60	18,200,645	281,711,290	
2016/17	2,799,324,089	32,892,919	1.18	2,750,000	1,080,000	3,000,000	1,700,000		1,530,000		\$1,458,333					11,518,333	0.41	44,411,252	1.59	26,557,280	26,557,280	
2017/18	2,934,978,203	33,700,669	1.15	1,950,000	997,500	3,500,000	1,580,000		1,530,000		1,458,333					12,765,833	0.43	46,466,502	1.58	39,645,894	39,645,894	
2018/19	3,020,009,086	37,486,869	1.24	0	939,000	0	1,440,000		1,530,000		1,750,000					8,825,667	0.29	46,312,535	1.53	50,319,721	81,319,721	
2019/20	3,107,651,265	4,971,750	0.16	3,520,000	939,000	6,645,000	1,440,000	\$15,000,000	1,530,000	\$4,000,000	1,750,000				1,700,000	38,274,000	1.23	43,245,750	1.39	94,917,263	125,917,263	
2020/21	3,197,981,871	0	0.00	3,625,000	833,400	6,915,000	1,174,200	4,440,000	855,000	15,000,000	1,550,000				1,700,000	37,842,600	1.18	37,842,600	1.18	137,981,280	168,981,280	
2021/22	3,291,080,374	0	0.00	3,735,000	724,650	7,190,000	897,600	4,640,000	655,200	2,350,000	800,000	\$10,000,000			1,700,000	34,442,450	1.05	34,442,450	1.05	177,384,769	208,384,769	
2022/23	3,387,028,651	0	0.00	3,845,000	612,600	7,475,000	610,000	4,850,000	446,400	2,470,000	682,500	4,525,000			1,700,000	31,466,500	0.93	31,466,500	0.93	215,005,962	246,005,962	
2023/24	3,485,911,059	0	0.00	3,960,000	497,250	7,775,000	311,000	5,070,000	228,150	2,595,000	559,000	4,750,000			1,550,000	28,319,150	0.81	28,319,150	0.81	275,318,341	306,318,341	
2024/25	3,587,814,508	0	0.00	4,080,000	378,450		0		0	2,725,000	429,250	4,990,000			1,550,000	17,123,950	0.48	17,123,950	0.48	299,595,641	330,595,641	
2025/26	3,692,828,538	0	0.00	4,205,000	256,050		0		0	2,860,000	293,000	5,235,000			1,440,750	17,116,550	0.46	17,116,550	0.46	324,791,860	355,791,860	
2026/27	3,801,045,397	0	0.00	4,330,000	129,900		0		0	3,000,000	150,000	5,500,000			1,326,250	17,116,150	0.45	17,116,150	0.45	350,951,266	381,951,266	
2027/28	3,912,560,122	0	0.00		0		0		0		0				2,525,000	1,206,000	0.10	3,731,000	0.10	364,728,404	395,728,404	
2028/29	4,027,470,622	0	0.00		0		0		0		0				2,650,000	1,079,750	0.09	3,729,750	0.09	378,968,106	409,968,106	
2029/30	4,145,877,763	0	0.00		0		0		0		0				2,785,000	947,250	0.09	3,732,250	0.09	393,690,499	424,690,499	
2030/31	4,267,885,457	0	0.00		0		0		0		0				2,925,000	808,000	0.09	3,733,000	0.09	408,911,014	439,911,014	
2031/32	4,393,600,755	0	0.00		0		0		0		0				3,070,000	661,750	0.08	3,731,750	0.08	424,645,395	455,645,395	
2032/33	4,523,133,937	0	0.00	0	0		0		0		0				3,225,000	508,250	0.08	3,733,250	0.08	440,914,707	471,914,707	
2033/34	4,656,598,612	0	0.00		0	0	0		0		0				3,385,000	347,000	0.08	3,732,000	0.08	457,735,348	488,735,348	
2034/35	4,794,111,813	0	0.00		0		0		0		0				3,555,000	177,750	0.08	3,732,750	0.08	475,129,058	506,129,058	
		\$247,370,481		\$46,000,000		\$46,000,000		\$34,000,000		\$35,000,000		\$35,000,000		\$34,000,000		\$307,755,267						
	\$71,700,000			\$14,700,000		\$10,000,000		\$15,000,000		\$19,000,000		\$10,000,000		\$3,000,000				Average:	\$0.4229			

* Assumes 100% of tax collections are available to make the 7/1 principal payment, thereby regaining 100% capacity for a June sale.

- (a) Fiscal year 2012/13 is actual. Fiscal year 2013/14 is preliminary, provided by the Assessor of the County and assumes -8.68% change. Fiscal years 2014/15 through and including 2017/18 assumes 5.00% growth; and subsequent years assume 3.00% growth. The SAV is also adjusted to reflect the following statutory assessment ratio phase downs: in class 1 from 25% in 2005/06 to 20% in 2011/12 and phase down beginning in 2013/14 to 18% in 2016/17; and class 2 from 16% in 2015/16 to 15% in 2016/17.
- (b) 2012/13 includes the estimated Salt River Project in-lieu valuation. Fiscal Years 2013/14 and thereafter include the Salt River Project in-lieu valuation reduced by 2.00% annually.
- (c) Secondary tax rates are per \$100 of assessed valuation. Subsequent years' projected tax rates are not adjusted for interest earnings, arbitrage rebate or delinquent tax collections (if any).
- (d) Interest is estimated at 3.00% for the Bonds.
- (e) Interest is estimated at 4.00% for the Bonds.
- (f) Interest is estimated at 4.50% for the Bonds.
- (g) Interest is estimated at 5.00% for the Bonds.
- (h) Capacity is calculated using the following assumptions: Fiscal year 2012/13 is actual. Fiscal year 2013/14 is preliminary, provided by the Assessor of the County and assumes -8.68% change. Fiscal years 2014/15 through and including 2017/18 assumes 5.00% growth; and subsequent years assume 3.00% growth. The SAV is also adjusted to reflect the following statutory assessment ratio phase downs: in class 1 from 25% in 2005/06 to 20% in 2011/12 and phase down beginning in 2013/14 to 18% in 2016/17; and class 2 from 16% in 2015/16 to 15% in 2016/17.
- (i) Capacity based on proposed legislation which would increase limitations on bonded indebtedness to 10% for ESD and UHSDs and 20% for USDs for bonds already approved until July 1, 2016.

Nov. 6, 2012 Authorization	\$230,000,000
Already Issued	\$0
Series A (2013)*	46,000,000
Series B (2014)*	46,000,000
Series C (2015)*	34,000,000
Series D (2016)*	35,000,000
Series E (2017)*	35,000,000
Series F (2018)*	34,000,000
	\$230,000,000
Authorization expires November 6, 2022	
* Estimated future issue(s), subject to change.	

Note: The information in this analysis is not intended to be used as the primary basis for determining a district's bonding capacity, tax rate or ability to sell bonds. This analysis is based on assumptions provided by sources considered to be reliable, including the district, but is not guaranteed as to accuracy and does not purport to be complete. Any information expressed in this analysis is subject to change.

SAMPLE WORK

Nov. 6, 2012 BOND PROGRAM FOR \$230.000 MILLION SALE
Assumes \$61.900 Million Maximum Amount Available for Technology, FF&E and Computers
SCENARIO 2 - Debt Service Requirements and Projected Impact on the Secondary Tax Rate

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	
Fiscal Year	Combined Valuation (a)(b)	Debt Service	Secondary Bond Tax Rate (c)	Principal	Estimated Interest (d)	Principal	Estimated Interest (e)	Principal	Estimated Interest (f)	Principal	Estimated Interest (g)	Principal	Estimated Interest (g)	Principal	Estimated Interest (g)	Debt Service	Secondary Bond Tax Rate (c)	Debt Service	Secondary Bond Tax Rate (c)	Net Class "B" Bonding Capacity (h)	Net Class "B" Bonding Capacity (i)	
2012/13	\$2,728,370,916	\$38,589,119	\$1.35															\$38,589,119	\$1.35	\$33,258,491	\$299,416,981	
2013/14	2,496,041,275	33,824,094	1.36	\$1,500,000	\$1,667,500											\$3,167,500	\$0.13	36,991,594	1.48	609,099	243,668,197	
2014/15	2,595,014,147	33,500,331	1.29	900,000	1,335,000	\$1,500,000	\$1,906,667									5,641,667	0.22	39,141,998	1.51	4,177,286	257,264,573	
2015/16	2,697,964,910	32,404,731	1.20	1,700,000	1,308,000	2,000,000	1,700,000		\$1,755,000							8,463,000	0.31	40,867,731	1.51	14,600,645	278,111,290	
2016/17	2,799,324,089	32,892,919	1.18	800,000	1,257,000	3,000,000	1,620,000		1,620,000		\$1,458,333					9,755,333	0.35	42,648,252	1.52	20,657,280	20,657,280	
2017/18	2,934,978,203	33,700,669	1.15	0	1,233,000	3,500,000	1,500,000		1,620,000		1,750,000					11,061,333	0.38	44,762,002	1.53	31,795,894	31,795,894	
2018/19	3,020,009,086	37,486,869	1.24	0	1,233,000	0	1,360,000		1,620,000		1,750,000					9,129,667	0.30	46,616,535	1.54	40,519,721	71,519,721	
2019/20	3,107,651,265	4,971,750	0.16	4,620,000	1,233,000	6,275,000	1,360,000	\$15,000,000	1,620,000	\$4,000,000	1,750,000					39,308,000	1.26	44,279,750	1.42	85,117,263	116,117,263	
2020/21	3,197,981,871	0	0.00	4,760,000	1,094,400	6,530,000	1,109,000	4,910,000	945,000	15,000,000	1,550,000					39,348,400	1.23	39,348,400	1.23	128,911,280	159,911,280	
2021/22	3,291,080,374	0	0.00	4,905,000	951,600	6,790,000	847,800	5,130,000	724,050	2,350,000	800,000	\$10,000,000				35,948,450	1.09	35,948,450	1.09	169,534,769	200,534,769	
2022/23	3,387,028,651	0	0.00	5,050,000	804,450	7,060,000	576,200	5,360,000	493,200	2,470,000	682,500	4,525,000				32,971,350	0.97	32,971,350	0.97	208,415,962	239,415,962	
2023/24	3,485,911,059	0	0.00	5,200,000	652,950	7,345,000	293,800	5,600,000	252,000	2,595,000	559,000	4,750,000				29,821,500	0.86	29,821,500	0.86	271,368,341	302,368,341	
2024/25	3,587,814,508	0	0.00	5,360,000	496,950		0		0	2,725,000	429,250	4,990,000				18,522,450	0.52	18,522,450	0.52	296,925,641	327,925,641	
2025/26	3,692,828,538	0	0.00	5,520,000	336,150		0		0	2,860,000	293,000	5,235,000				18,511,650	0.50	18,511,650	0.50	323,436,860	354,436,860	
2026/27	3,801,045,397	0	0.00	5,685,000	170,550		0		0	3,000,000	150,000	5,500,000				18,511,800	0.49	18,511,800	0.49	350,951,266	381,951,266	
2027/28	3,912,560,122	0	0.00		0		0		0		0					3,731,000	0.10	3,731,000	0.10	364,728,404	395,728,404	
2028/29	4,027,470,622	0	0.00		0		0		0		0					3,729,750	0.09	3,729,750	0.09	378,968,106	409,968,106	
2029/30	4,145,877,763	0	0.00		0		0		0		0					3,732,250	0.09	3,732,250	0.09	393,690,499	424,690,499	
2030/31	4,267,885,457	0	0.00		0		0		0		0					3,733,000	0.09	3,733,000	0.09	408,911,014	439,911,014	
2031/32	4,393,600,755	0	0.00		0		0		0		0					3,731,750	0.08	3,731,750	0.08	424,645,395	455,645,395	
2032/33	4,523,133,937	0	0.00	0	0		0		0		0					3,733,250	0.08	3,733,250	0.08	440,914,707	471,914,707	
2033/34	4,656,598,612	0	0.00		0	0	0		0		0					3,732,000	0.08	3,732,000	0.08	457,735,348	488,735,348	
2034/35	4,794,111,813	0	0.00		0		0		0		0					3,732,750	0.08	3,732,750	0.08	475,129,058	506,129,058	
		\$247,370,481		\$46,000,000		\$44,000,000		\$36,000,000		\$35,000,000		\$35,000,000		\$34,000,000		\$310,017,850						
	\$61,900,000		= Technology, F,F&E, Computers	\$4,900,000		\$10,000,000		\$15,000,000		\$19,000,000		\$10,000,000		\$3,000,000		Average:	\$0.4226					

* Assumes 100% of tax collections are available to make the 7/1 principal payment, thereby regaining 100% capacity for a June sale.

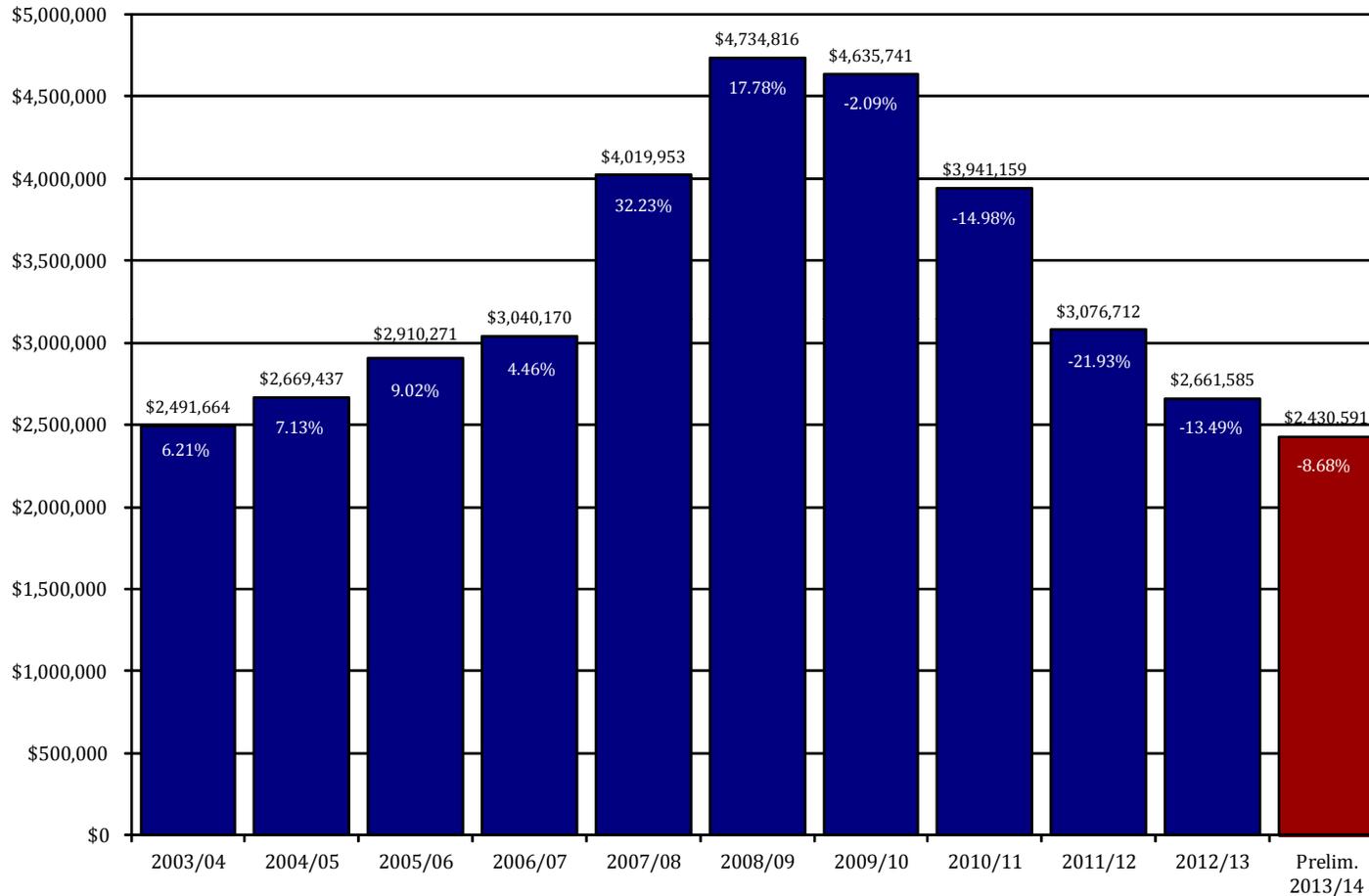
- (a) Fiscal year 2012/13 is actual. Fiscal year 2013/14 is preliminary, provided by the Assessor of the County and assumes -8.68% change. Fiscal years 2014/15 through and including 2017/18 assumes 5.00% growth; and subsequent years assume 3.00% growth. The SAV is also adjusted to reflect the following statutory assessment ratio phase downs: in class 1 from 25% in 2005/06 to 20% in 2011/12 and phase down beginning in 2013/14 to 18% in 2016/17; and class 2 from 16% in 2015/16 to 15% in 2016/17.
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- (f) Interest is estimated at 4.50% for the Bonds.
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- (h) Capacity is calculated using the following assumptions: Fiscal year 2012/13 is actual. Fiscal year 2013/14 is preliminary, provided by the Assessor of the County and assumes -8.68% change. Fiscal years 2014/15 through and including 2017/18 assumes 5.00% growth; and subsequent years assume 3.00% growth. The SAV is also adjusted to reflect the following statutory assessment ratio phase downs: in class 1 from 25% in 2005/06 to 20% in 2011/12 and phase down beginning in 2013/14 to 18% in 2016/17; and class 2 from 16% in 2015/16 to 15% in 2016/17.
- (i) Capacity based on proposed legislation which would increase limitations on bonded indebtedness to 10% for ESD and UHSDs and 20% for USDs for bonds already approved until July 1, 2016.

Nov. 6, 2012 Authorization		\$230,000,000
Already Issued		\$0
Series A (2013)*		46,000,000
Series B (2014)*		44,000,000
Series C (2015)*		36,000,000
Series D (2016)*		35,000,000
Series E (2017)*		35,000,000
Series F (2018)*		34,000,000
		\$230,000,000
Authorization expires November 6, 2022		
* Estimated future issue(s), subject to change.		

Note: The information in this analysis is not intended to be used as the primary basis for determining a district's bonding capacity, tax rate or ability to sell bonds. This analysis is based on assumptions provided by sources considered to be reliable, including the district, but is not guaranteed as to accuracy and does not purport to be complete. Any information expressed in this analysis is subject to change.

Historical and Projected Secondary AV

	Actual	w/2013/14
5-Year Average:	-6.94%	-12.24%
10-Year Average:	2.43%	0.95%



Source: Property Tax Rates and Assessed Values, Arizona Tax Research Association.
 Preliminary Fiscal Year 2013/14 - Provided by the Assessor of the County and subject to change.

Estimated Tax Rate Impact – Scenario 1 (\$71.7M for FF&E)

ESTIMATED AVERAGE ANNUAL TAX RATE PER \$100 OF SECONDARY ASSESSED VALUATION: \$0.4229

**OWNER OCCUPIED RESIDENTIAL PROPERTY
(Assessed at 10.0% of full cash value)**

<u>Assessor's Full Cash Value (a)</u>	<u>Secondary Assessed Value</u>	<u>Estimated Annual Cost (b)</u>	<u>Estimated Monthly Cost (b)</u>
\$105,733 (c) 100,000	\$10,573 (c) 10,000	\$44.71 42.29	\$3.73 3.52

**COMMERCIAL AND INDUSTRIAL PROPERTY
(Assessed at 19.5% of full cash value) (e)**

<u>Assessor's Full Cash Value (a)</u>	<u>Secondary Assessed Value</u>	<u>Estimated Annual Cost (b)</u>	<u>Estimated Monthly Cost (b)</u>
\$635,881 (c) 1,000,000	\$123,997 (c) 200,000	\$524.38 845.80	\$43.70 70.48

**AGRICULTURAL AND VACANT PROPERTY
(Assessed at 16.0% of full cash value) (f)**

<u>Assessor's Full Cash Value (a)</u>	<u>Secondary Assessed Value</u>	<u>Estimated Annual Cost (b)</u>	<u>Estimated Monthly Cost (b)</u>
\$56,528 (c) 100,000	\$9,044 (c) 16,000	\$38.25 67.66	\$3.19 5.64

Estimated Tax Rate Impact – Scenario 2 (\$61.9M for FF&E)

ESTIMATED AVERAGE ANNUAL TAX RATE PER \$100 OF SECONDARY ASSESSED VALUATION: \$0.4226

**OWNER OCCUPIED RESIDENTIAL PROPERTY
(Assessed at 10.0% of full cash value)**

<u>Assessor's Full Cash Value (a)</u>	<u>Secondary Assessed Value</u>	<u>Estimated Annual Cost (b)</u>	<u>Estimated Monthly Cost (b)</u>
\$105,733 (c) 100,000	\$10,573 (c) 10,000	\$44.68 42.26	\$3.72 3.52

**COMMERCIAL AND INDUSTRIAL PROPERTY
(Assessed at 19.5% of full cash value) (e)**

<u>Assessor's Full Cash Value (a)</u>	<u>Secondary Assessed Value</u>	<u>Estimated Annual Cost (b)</u>	<u>Estimated Monthly Cost (b)</u>
\$635,881 (c) 1,000,000	\$123,997 (c) 200,000	\$524.01 845.20	\$43.67 70.43

**AGRICULTURAL AND VACANT PROPERTY
(Assessed at 16.0% of full cash value) (f)**

<u>Assessor's Full Cash Value (a)</u>	<u>Secondary Assessed Value</u>	<u>Estimated Annual Cost (b)</u>	<u>Estimated Monthly Cost (b)</u>
\$56,528 (c) 100,000	\$9,044 (c) 16,000	\$38.22 67.62	\$3.19 5.64

Estimated Tax Rate Impact Schedule Footnotes

- (a) Assessor's full cash value is the value of your property as it appears on your tax bill and does not necessarily represent the market value.
- (b) Cost based on the average projected tax rate over the life of the bond issues and a number of other financing assumptions which are subject to change.
- (c) Estimated average value of owner - occupied residential properties, commercial and industrial properties, or agricultural and vacant properties, as applicable, within the District as provided by the Arizona Department of Revenue.
- (d) Assumes the assessed valuation of the property grows or declines at half the rate of the total assessed value shown on the projected debt service schedule.
- (e) Assessment ratio will phase down to 19.5% in 2013-2014 and will be further reduced one-half of one percent for each year to 18% for 2016-2017 and thereafter.
- (f) Assessment ratio will be reduced to 15% in 2016-2017 and thereafter.

Note: The information in this analysis is not intended to be used as the primary basis for determining a district's bonding capacity, tax rate or ability to sell bonds. This analysis is based on assumptions provided by sources considered to be reliable, including the district, but is not guaranteed as to accuracy and does not purport to be complete. Any information expressed in this analysis is subject to change.

Natural AAA Municipal Market Data Yields

Natural AAA Municipal Market Data Yields
Daily over 3-Year Period Ending 02/25/13

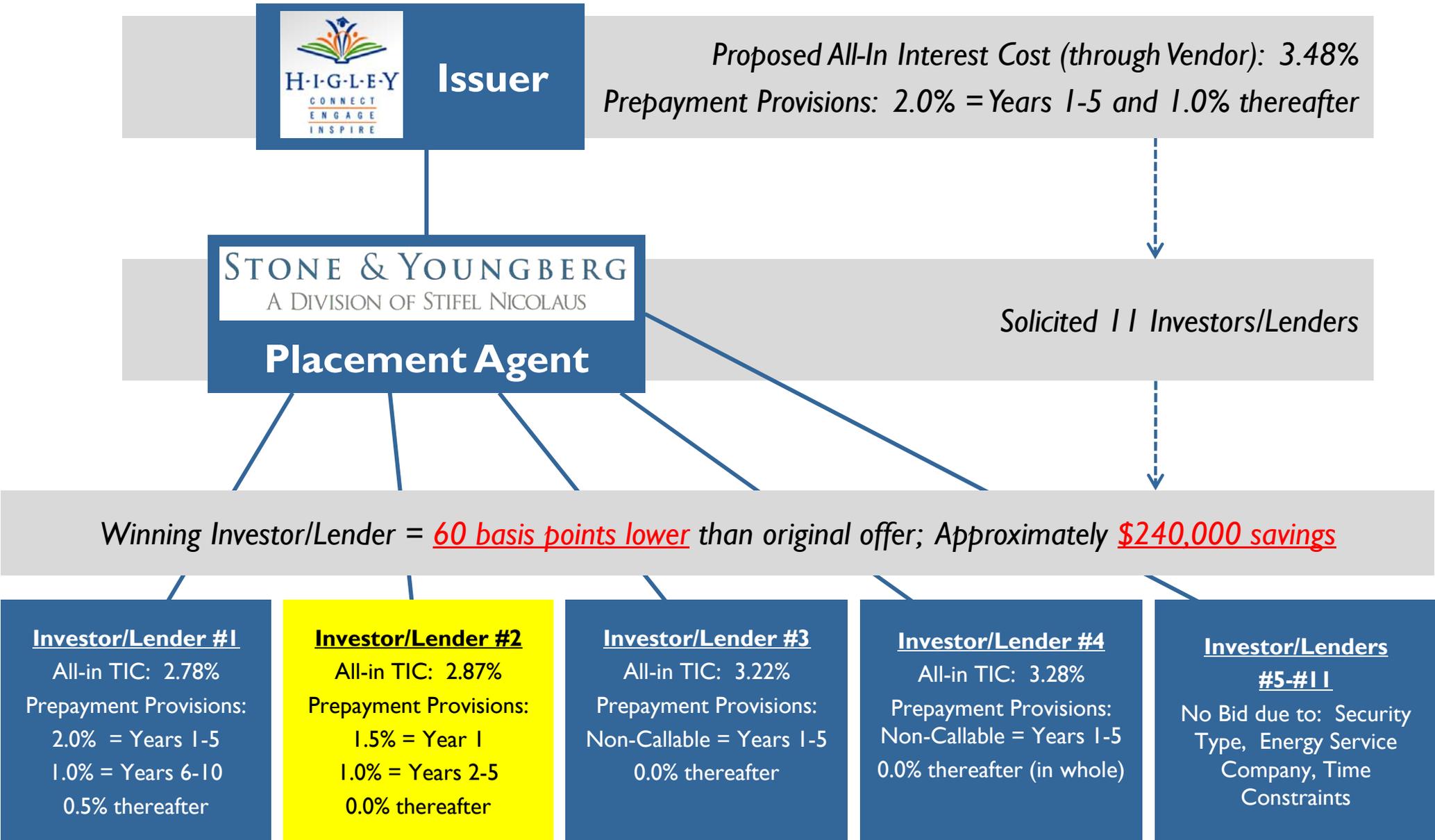


Source: Municipal Market Data and Bloomberg.

Additional Information

This material contains proposed terms and conditions that are indicative and for discussion purposes only. Finalized terms and conditions are subject to further discussion and negotiation and Stifel, Nicolaus & Company, Incorporated, dba Stone & Youngberg, a Division of Stifel Nicolaus (“Stifel”) does not guarantee that all financing options will be available at the time of the contemplated transaction. Where indicated, this presentation may contain information derived from sources other than Stifel. While we believe such information to be accurate and complete, Stifel does not guarantee the accuracy of this information. This material is based on information currently available to Stifel or its sources and we do not undertake to update the recipient of this presentation of changes that may occur in the future. Stone & Youngberg does not provide accounting, tax or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and /or counsel.

Why Consider a Placement Agent?



APPENDIX B

EXAMPLES OF NO-COST VALUE-ADDED SERVICES

2013 LEGISLATIVE UPDATE NO. 5

In this Issue:

- ✓ FY 2014 Budget, p. 1-2
- ✓ 2013 Active Bills, p. 3
- ✓ 2013 Dead Bills, p. 4-7

This bulletin is the fifth of a series of reports on the 2013 Legislative Session pertaining to school capital finance, school facilities, and school district property taxes. Each new report in the series will supersede the previous report.

FY 2014 BUDGET PROPOSALS

The Joint Legislative Budget Committee (JLBC) has not presented budget recommendations for FY 2014. Instead, the JLBC staff has made certain assumptions in developing a baseline budget for FY 2014 which assumes that almost all previous funding cuts and formula suspensions are permanent. Governor Brewer's FY 2014 budget for school capital expenditures is summarized below along with the JLBC baseline assumptions. (Note: both budgets were prepared before the recent court ruling on K-12 inflation funding. If that cost of \$82 to \$87 million were added to the budget, other recommendations would probably change.)

Program	JLBC Baseline Assumptions	Governor's Proposal
CORL and Soft Capital	<ul style="list-style-type: none"> • Continue the \$80,864,800* CORL reduction from FY 2013. • Continue the \$158,120,700* reduction in Soft Capital from FY 2013. • Continue to limit soft capital and CORL reductions for districts with less than 1100 student count to \$5 million. 	<ul style="list-style-type: none"> • Consolidate CORL and Soft Capital into one allocation titled "Additional Assistance," with same provisions as current CORL and funding level equal to FY 2013 (reduction of \$238,985,500* from current formula amounts). • One-time \$40 million (\$37.70 per pupil) for common core implementation.
Technology		\$20 million to SFB for needs assessment and grants to schools for technology required for Common Core testing.
State Aid Rollover	Continue rollover at current level (roll \$952,627,700 of FY 2014 state aid into FY 2015).	Continue rollover at current level (roll \$952,627,700 of FY 2014 state aid into FY 2015).
Class B Bonds	Require school districts to annually report the following for the current fiscal year: the amount of outstanding bond principal, statutory bonding capacity, annual bond debt service, and a summary of the projects which were funded with bond proceeds.	Increase statutory bond limits to 10% of SAV (elementary and high school) and 20% (unified) to compensate for loss of state funding.
Overrides	Require ADE to report by November 30 each year the amount budgeted for school district budget overrides by district and type of override for the current fiscal year.	

*These reductions are state aid amounts – total reduction is greater when cuts to non-state aid districts are added.

FY 2014 BUDGET PROPOSALS, CONT.

Program	JLBC Baseline Assumptions	Governor's Proposal
Building Renewal / Preventative Maintenance	Continue to suspend the building renewal formula and continue \$2.7 million appropriation for building renewal grants. (Formula amount would be \$260,009,700.)	Repeal the building renewal formula and transition to a new maintenance accountability program to begin in 3 years, which would provide grants based on a replacement schedule and a detailed data base of all major school systems. \$25 million (one-time non-lapsing appropriation) of which \$23.3 million is for building renewal grants during the transition period and \$1.7 million is for SFB staff and an online preventive maintenance system.
New School Facilities	Continue moratorium on new construction projects. (Note: to fund projects in districts that will be over capacity before or in FY 2014 would cost \$22.3 million.)	<ul style="list-style-type: none"> • \$3,835,700 for new construction. • Reduce eligibility for state funding for new schools by requiring districts to be over capacity before receiving funding to begin new construction. • Replace SFB funding for accommodation schools with the charter school funding formula. • Allow the SFB to refund lease-to-own transactions.
State Equalization Tax Rate (Legislation not required)	Increase the SETR from \$0.4717 to \$0.5123 as required by Truth in Taxation, based on 8.5 % decrease in primary assessed valuation (PAV) of existing property, mitigated by Prop. 301 rate cap of \$0.5123. Tax rate increase = \$0.0406 or 8.6%. Without Prop. 301 cap, the SETR would have been \$0.5154. (Note: total statewide PAV decrease is only 6.7% due to 1.8% increase in new property.)	5.1% decline in primary assessed valuation (7.6 % decrease in existing property offset by 2.5% increase in new property.) Rate not mentioned.
Qualifying Tax Rate (Legislation not required)	Increase the QTR from \$3.9170 to \$4.2530 (\$2.1265 for P-8 and 9-12 districts) as required by Truth in Taxation and Prop. 301, as described above. Tax rate increase = \$0.3360 or 8.6%. Without Prop. 301 cap, the QTR would have been \$4.2796.	Assumptions above. Rate not mentioned.
Additional State Aid (Homeowner's Rebate)	DOR is required to increase the homeowner's rebate percentage from the current 40% to offset the additional Class 1 assessment ratio reduction. The estimated amount is \$15.6 million but the % has not yet been calculated. (It might be about 42%)	

2013 REGULAR SESSION BILLS - ACTIVE

The following table lists all the 2013 Regular Session bills identified to date that address school capital finance, school facilities and school district property taxes, with the current status. Enacted bills have been shaded. Bills that have failed, changed subject, or did not receive the assigned committee hearings by the deadline have been moved to a separate table on p. 4. The brief descriptions are intended to alert readers to the topic of the bill and do not fully describe its contents. Abbreviations are explained at the end of the tables. You can print copies of bills, amendments, and bill summaries at the Legislature's website (www.azleg.state.az.us).

Bill No.	Topic	Content	Status 4/15/13
HB 2156	Elections	As amended, revises the law on using public school resources to influence an election, including increasing the fine for violations from \$500 to \$5,000.	Signed 4/11
HB 2202	Leases	Extends from 5 to 10 years the length of lease agreements that school boards may enter into without voter approval, and repeals the prohibition against calling for a capital outlay override while a district is expending proceeds from the lease of school property.	Signed 4/11
HB2237	Bond Limits Overrides	As amended, repeals the ineffective 2011 law that increased bond limits for school districts and continues, for overrides approved before January 1, 2014, the use of the previous kindergarten weight in the calculation of the RCL for FY 2014, then phases it out over the next two years.	Passed H 2/20; passed S COW 4/8 w/am
HB 2347	Bond Tax Levy	Limits the bond tax levy to amounts needed to pay annual principal and interest, plus a delinquency amount and amounts needed to correct prior year levy errors and for fees and expenses.	Passed H 2/20; passed S COW 3/25 w/am
HB 2427	Unification & Consolidation	Makes technical corrections to the process for consolidation and unification.	Signed; Chap. 10
HB 2581	Overrides	As amended, for overrides approved before January 1, 2014, continues the use of the previous kindergarten weight in the calculation of the RCL for FY 2014, then phases it out over the next two years.	Passed H 3/4; passed S ED 3/21 w/am; not heard S Ap
SB 1169	Property Values	Conforms statutes to Prop. 117, which eliminated primary and secondary property values and replaced them with a single taxable property value.	Signed; Chap. 66
SB 1231	Construction Contracts	Prescribes restrictions for indemnity agreements in construction and design professional services contracts with public bodies.	Passed S 2/18; passed H Gov 3/19 w/am

2013 REGULAR SESSION BILLS INACTIVE OR SUBJECT CHANGED

The following table lists 2013 Regular Session bills identified to date that address school capital finance, school facilities and school district property taxes, and are not still active or no longer include these subjects. If the Status column is blank, the bill was not placed on the agenda for a committee hearing.

Bill No.	Topic	Content	Status
HB 2112	Construction Procurement	Changes the procedures for selecting professional or construction services based on qualifications by replacing the requirement to negotiate in order of qualifications and terminate the negotiation with one firm before moving on to the next qualified firm with the requirement to simultaneous negotiate with the three highest qualified firms and to suspend rather than terminate negotiations before moving on to other firms on the final list. Authorizes recommencing of suspended negotiations.	
HB 2192	Meeting agendas	Requires the agendas for school district governing board meetings to be available at least three days before the meeting, except in case of emergency.	
HB 2285	State Spending	Requires the calculation of "Truth in Spending" estimates by adjusting current year State general fund appropriations by the changes in population and inflation and requires public notice and a special hearing if the legislature proposes to exceed that amount.	Passed H FFR 2/5 w/am; passed H Ap 2/13
HB 2349	State Aid Property Taxes	For fiscal years 2014-2017, reduces state aid by a portion of the prior year ending balance in the M&O, capital outlay and soft capital funds. For FY 2018, reduces state aid by the prior year ending balance in the M&O fund. Requires additional state aid to be used to reduce property taxes (instead of being used to offset the loss of property tax revenue) and creates a new property tax reduction formula for classes two through nine for fiscal years 2014-2018.	
HB 2399	Bond Limits	Increases the statutory limit on school district bond indebtedness from 10% to 20% of secondary assessed valuation (SAV) (unified district) and from 5% to 10% (elementary or high school district), and specifies that until 7/1/16 the higher limits apply to bonds already approved.	Held H Ed 2/11
HB 2495	Utility Refunds	Requires school districts to apply 50% of net prior year utility expenditure refunds or rebates for corresponding expenditures in the current fiscal year.	Held H Ed 2/4
HB 2511	Energy Incentives	Prohibits the state and political subdivisions from accepting incentives or subsidies from a public utility for installation or use of solar or wind energy devices.	
HB 2605	Energy Conservation	By 7/1/18, requires school districts to purchase at least 10% of their energy requirements from "green" sources such as solar, wind, landfill gas and low-impact hydroelectric generation.	

Bill No.	Topic	Content	Status
HB 2606	Energy Conservation	<ul style="list-style-type: none"> • By 12/31/14, requires school districts to adopt a green cleaning policy and purchase and use environmentally sensitive cleaning products, unless it would increase their cleaning costs. • By 7/1/18, requires school districts to purchase at least 10% of their energy requirements from “green” sources such as solar, wind, landfill gas and low-impact hydroelectric generation. • Establishes a loan program for energy and water conservation projects. • Establishes a green public schools task force to make recommendations for a model green cleaning policy and a system to ensure that existing schools are retrofitted and new schools are constructed to promote energy efficiency and sustainability. 	
HB 2620	Soft Capital	Appropriates \$50 million to ADE for soft capital grants to school districts to implement common core standards. Grant amounts would be based on the percentage of students qualifying for free or reduced-price lunches.	
HCR 2011	Property Taxes	Proposed constitutional amendment modifying the threshold under which the legislature may exempt from taxation personal property used for agricultural, trade or business purposes. The current exemption threshold is a full cash value of \$50,000 annually adjusted for inflation. The proposed threshold is the annual earnings of 50 workers in the State (approximately \$2.4 million), to apply to property acquired during or after tax year 2015.	Passed H 3/11
HCR 2017	Initiatives and Referendums	Proposed constitutional amendment requiring initiatives and referendums to be re-authorized every eight years, and, beginning in 2016, requiring new initiatives and referendums to specifically provide that they are subject to the voter protection act of 1988 in order to be covered by that act.	
HCR 2021	State Expenditure Limit	Proposed constitutional amendment replacing the current state appropriations limit (based on a percent of state total personal income) with a new state “stabilized appropriation limit” based on FY 2013 general fund expenditures adjusted for population growth and inflation.	Passed H FFR 2/19
HCR 2033	Initiatives and Referendums	Proposed constitutional amendment requiring initiatives and referendums that require the expenditure of state monies to be re-authorized every eight years. Applies retroactively to previous ballot measures.	Passed H FFR 2/19
SB 1013	Energy Conservation	By 7/1/18, requires school districts (and other public bodies) to purchase at least 10% of their energy requirements from “green” sources such as solar, wind, landfill gas and low-impact hydroelectric generation.	
SB 1019	Energy Conservation	Establishes a green public schools task force to make recommendations for a model green cleaning policy and a system to ensure that existing schools are retrofitted and new schools are constructed to promote energy efficiency and sustainability.	

Bill No.	Topic	Content	Status
SB 1020	Energy Conservation	<ul style="list-style-type: none"> • By 12/31/14, requires school districts to adopt a green cleaning policy and purchase and use environmentally sensitive cleaning products, unless it would increase their cleaning costs. • By 7/1/18, requires school districts (and other public bodies) to purchase at least 10% of their energy requirements from • “green” sources such as solar, wind, landfill gas and low-impact hydroelectric generation. • Establishes a loan program for energy and water conservation projects. • Establishes a green public schools task force to make recommendations for a model green cleaning policy and a system to ensure that existing schools are retrofitted and new schools are constructed to promote energy efficiency and sustainability. 	
SB 1271	Solar Grants	<p>Creates a tax on the delivery of electricity for consumption to fund the following grant programs:</p> <ul style="list-style-type: none"> • State solar grants for solar education programs in schools that use solar technology • Solar school grants for the installation of solar technology in schools <p>Requires school districts to prescribe and enforce policies and procedures to install solar technology and deposit revenues from net metering in the solar school fund, which may be transferred to M&O when all schools in all school districts have converted to solar technology.</p>	
SB 1276	All-Mail Elections	Allows officers in charge of elections to conduct an election by mail if 350 or fewer registered voters in a precinct are not on the permanent early voting list.	Passed S Jud 2/18; passed S El 2/19 w/am
SB 1299	Property and Income Taxes	<p>Suspends the reduction of Class 1 assessment ratios and increases income taxes on corporations and capital gains until one of the following occur:</p> <ul style="list-style-type: none"> • The state general fund per pupil expenditures are at least equal to the US median state general fund per pupil expenditures • At least 94% of 3rd grade students are reading at the 3rd grade reading level or higher • The high school graduation rate is at least 93% 	
SB 1328	Technology	Requires the SFB to complete a technology needs assessment and appropriates \$42 million to the SFB to provide grants to school districts and charter schools in order to meet the goal of a 5:1 ratio of pupils to computers and to improve internet and broadband connectivity.	
SB 1339	Overrides	Changes “override” to “budget request,” removes “budget increase” and “budget override continuation” from the required ballot language for budget requests,	

Bill No.	Topic	Content	Status
SB 1352	School leases	Eliminates requirements for voter approval for up to twenty leases of school buildings or sites to or from a qualified nonprofit corporation.	Passed S Ed 2/14 w/am
SB 1402	Bond and Override Elections	<ul style="list-style-type: none"> • Authorizes bond and override elections to be held on any date • Changes “override” to “budget request” • Changes “budget increase” to “budget request” • Increases the length of capital budget requests from 7 to 10 years 	
SB 1434	Technology	Establishes a smart school technology program for the development of whole-school technology deployment plans in selected schools.	

Abbreviations:

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|---|--|
| Ap = Appropriations Committee | Gov = Government Committee, Government and Environment Committee or Governor |
| Com = Commerce Committee (H) or Commerce, Energy and Military Committee (S) | H = House |
| COW= Committee of the Whole | Ed = Education Committee |
| EENR =Energy, Environment and Natural Resources Committee | Jud = Judiciary Committee |
| El = Elections Committee | S = Senate |
| Fin = Finance Committee | SE = Strike everything amendment |
| FFR= Federalism and Fiscal Responsibility Committee | w/am = with amendment |
| | W&M= Ways and Means Committee |

ABOUT THIS BULLETIN

The Legislative Update is one of a series of School Capital Finance Issue Bulletins prepared for members of the Stifel Nicolaus School Capital Finance Support Service. Membership in this service is free to all Stifel Nicolaus investment-banking clients. Bulletins are for the exclusive use of members. Recipients are welcome to duplicate reports for internal distribution, but we ask that you request permission before duplicating or forwarding the bulletin to other school districts or entities. Stifel Nicolaus invests significant time and effort in preparing these reports and any unauthorized distributions impair our ability to provide these reports as an exclusive benefit to our clients.

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August and November 2012 Election Results

Arizona Ballot Issues and Propositions
*for the State, School Districts, Cities and Towns,
Counties and Special Districts*
Final Unofficial Election Results

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SUMMARY OF AUGUST AND NOVEMBER 2012 BALLOT MEASURES

STATE PROPOSITIONS					
Prop #	Jurisdiction	Election Date	Descriptive Title	Pass or Fail	Yes %
STATE OF ARIZONA					
114	State of Arizona	11/6/12	Constitutional amendment prohibiting the enactment of laws subjecting crime victims to damage claims by persons harmed while attempting to engage in felony conduct.	Pass	80.0%
115	State of Arizona	11/6/12	Constitutional amendment relating to the Judicial Branch: altering judicial terms; extending the mandatory retirement age to 75; modifying the composition of judicial nominating commissions and the required number of nominees submitted; requiring the Supreme Court to make judicial opinions and orders electronically available (unless sealed); and authorizing a legislative committee to take testimony from judges up for retention.	Fail	27.3%
116	State of Arizona	11/6/12	Constitutional amendment increasing the authorized personal property tax exemption for equipment and machinery used in agriculture, trade or business to an amount equal to the annual earnings of 50 workers (approximately \$2.4 million). The current exemption amount is \$50,000, annually adjusted for inflation (approximately \$68,000).	Fail	43.7%
117	State of Arizona	11/6/12	Constitutional amendment capping the annual increase in the value of each parcel of locally assessed real property to five percent, for both primary and secondary property tax purposes.	Pass	56.95%
118	State of Arizona	11/6/12	Constitutional amendment modifying the annual distribution of monies from the State Permanent Funds for fiscal years 2013 through 2021. The current distribution is based on the inflation adjusted annual rate of return. The amended formula is 2.5 percent of average monthly market values for the preceding five years.	Pass	50.6%
119	State of Arizona	11/6/12	Constitutional amendment allowing the exchange of state trust lands for other public lands, subject to voter approval, for the purpose of protecting military facilities from encroaching development or to improve the management of state lands.	Pass	62.0%
120	State of Arizona	11/6/12	Constitutional amendment declaring the State's sovereign and exclusive authority over all natural resources within the State's boundaries, except Indian reservations.	Fail	32.2%
121	State of Arizona	11/6/12	Constitutional amendment replacing the party primary system with an open top-two primary election. Does not apply to election of the United States President.	Fail	32.9%
204	State of Arizona	11/6/12	Permanently increases the State excise tax rate by one percent. Monies collected are specified for education, transportation, infrastructure projects and human services programs. Also, specifies annual school finance formula required increases and minimum funding thresholds, and prohibits tax base adjustments that reduce collections.	Fail	35.5%

SCHOOL DISTRICT BOND AND OVERRIDE QUESTIONS

Jurisdiction	Election Date	Descriptive Title	Bond or Annual Override Amount	Pass or Fail	Yes %
Agua Fria Union No. 216	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$5,046,000	Fail	44.4%
Alhambra Elementary No. 68	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$8,977,084	Pass	59.3%
Altar Valley Elementary No. 51	11/6/12	Authorizes seven year 10% maintenance and operation budget override beginning FY 2013-2014.	\$443,541	Fail	37.5%
Avondale Elementary No. 44	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$3,750,000	Pass	51.6%
Avondale Elementary No. 44	11/6/12	Authorizes seven year capital outlay budget override for school and administrative technology upgrades; school furniture and equipment; and school construction and renovations.	\$2,500,000	Fail	46.7%
Bagdad Unified No. 20	11/6/12	Authorizes seven year 15% K-8 maintenance and operation budget override beginning FY 2013-2014.	\$208,220	Pass	58.8%
Bagdad Unified No. 20	11/6/12	Authorizes five year 9-12 small school maintenance and operation budget override beginning FY 2013-2014.	\$406,366	Pass	56.1%
Balsz Elementary No. 31	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$1,897,200	Pass	51.5%
Benson Unified No. 9	11/6/12	Authorizes seven year 13% maintenance and operation budget override beginning FY 2013-2014.	\$705,005	Pass	50.3%
Bisbee Unified No. 2	11/6/12	Authorizes seven year 10% maintenance and operation budget override beginning FY 2013-2014.	\$424,968	Pass	54.4%
Camp Verde Unified No. 28	11/6/12	Authorizes five year 5% maintenance and operation budget override beginning FY 2013-2014.	\$333,879	Fail	38.9%
Chandler Unified No. 80	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$28,123,422	Fail	46.7%
Coolidge Unified No. 21	11/6/12	Authorizes seven year 10% maintenance and operation budget override beginning FY 2013-2014.	\$1,791,443	Fail	40.8%
Deer Valley Unified No. 97	11/6/12	Authorizes seven year capital outlay budget override for technology; textbooks and assessment; school equipment and uniforms; and school and administrative fleet vehicles.	\$7,500,000	Fail	42.7%
Flagstaff Unified No. 1	11/6/12	Authorizes issuance of Class B general obligation bonds for school and administrative renovations and construction; school and administrative furniture and equipment; school and administrative technology upgrades; and pupil transportation vehicles.	\$20,790,000	Pass	61.9%
Florence Unified No. 1	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$6,326,550	Fail	40.8%
Gila Bend Unified No. 24	11/6/12	Authorizes seven year 10% maintenance and operation budget override beginning FY 2013-2014.	\$265,000	Pass	58.5%
Gilbert Unified No. 41	11/6/12	Authorizes seven year 10% maintenance and operation budget override beginning FY 2013-2014.	\$16,625,000	Fail	44.1%
Higley Unified No. 60	11/6/12	Authorizes seven year 10% maintenance and operation budget override beginning FY 2013-2014.	\$4,900,000	Fail	48.4%

SCHOOL DISTRICT BOND AND OVERRIDE QUESTIONS

Jurisdiction	Election Date	Descriptive Title	Bond or Annual Override Amount	Pass or Fail	Yes %
Higley Unified No. 60	11/6/12	Authorizes seven year capital outlay budget override for athletic equipment and musical instruments; school and administrative technology improvements; school furniture and equipment; building and grounds improvements; and busses.	\$4,900,000	Fail	45.4%
J.O. Combs Unified No. 44	11/6/12	Authorizes seven year 10% maintenance and operation budget override beginning FY 2013-2014.	\$2,132,515	Fail	47.9%
Laveen Elementary No. 59	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$4,086,783	Pass	53.9%
Laveen Elementary No. 59	11/6/12	Authorizes seven year capital outlay budget override for technology; instructional materials and textbooks; security and safety equipment; and facilities maintenance and renovation.	\$2,403,990	Pass	51.8%
Litchfield Elementary No. 79	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$7,200,000	Fail	47.0%
Littlefield Unified No. 9	11/6/12	Authorizes two year 7.5% maintenance and operation budget override beginning FY 2013-2014.	\$206,307	Fail	31.4%
Littleton Elementary No. 65	11/6/12	Authorizes seven year capital outlay budget override for instructional materials; school and administrative technology; school and administrative furniture, equipment and facilities improvements; and district support vehicles.	\$1,950,629	Pass	51.6%
Maricopa Unified No. 20	11/6/12	Authorizes two year 5% maintenance and operation budget override beginning FY 2013-2014.	\$1,350,000	Fail	40.8%
Mesa Unified No. 4	11/6/12	Authorizes issuance of Class B general obligation bonds for improvements to existing school facilities; technology equipment; pupil transportation vehicles; and improvements to administrative facilities.	\$230,000,000	Pass	64.1%
Miami Unified No. 40	11/6/12	Authorizes five year 10% maintenance and operation budget override beginning FY 2013-2014.	\$574,456	Fail	46.9%
Murphy Elementary No. 21	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$1,450,000	Pass	58.0%
Murphy Elementary No. 21	11/6/12	Authorizes seven year capital outlay budget override for school and administrative technology upgrades; classroom furniture upgrades; and energy management improvements.	\$350,000	Pass	56.6%
Nadaburg Elementary No. 81	11/6/12	Authorizes seven year 10% maintenance and operation budget override beginning FY 2013-2014.	\$460,000	Fail	23.5%
Page Unified No. 8	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$2,100,334	Fail	43.0%
Pendergast Elementary No. 92	11/6/12	Authorizes issuance of Class B general obligation bonds for school and administrative facility renovations and improvements and technology.	\$31,220,000	Pass	64.8%

SCHOOL DISTRICT BOND AND OVERRIDE QUESTIONS

Jurisdiction	Election Date	Descriptive Title	Bond or Annual Override Amount	Pass or Fail	Yes %
Peoria Unified No. 11	11/6/12	Authorizes issuance of Class B general obligation bonds for school and administrative facility renovations; pupil transportation and campus support vehicles; and technology equipment and infrastructure.	\$180,000,000	Pass	56.5%
Phoenix Elementary No. 1	11/6/12	Authorizes seven year capital outlay budget override for instructional materials; technology; busses; school facility upgrades; and administrative technology, furniture, equipment and facility improvements.	\$3,000,000	Pass	60.4%
Queen Creek Unified No. 95	11/6/12	Authorizes seven year 10% maintenance and operation budget override beginning FY 2013-2014.	\$2,530,456	Fail	46.4%
Roosevelt Elementary No. 66	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$7,179,615	Fail	48.2%
Round Valley Unified No. 10	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$1,090,000	Pass	50.2%
Scottsdale Unified No. 48	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$19,485,592	Fail	46.4%
Sedona-Oak Creek Joint Unified No. 9	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$998,875 <i>Coconino County 50.2% Yavapai County 49.8%</i>	Fail	
Seligman Unified No. 40	11/6/12	Authorizes issuance of Class B general obligation bonds for multipurpose building improvements; building renovations and improvements (including FF&E); efficiency and safety improvements; and pupil transportation vehicles.	\$2,500,000	Fail	44.1%
Show Low Unified No. 10	11/6/12	Authorizes seven year 10% maintenance and operation budget override beginning FY 2013-2014.	\$1,130,000	Fail	36.5%
Stanfield Elementary No. 24	11/6/12	Authorizes seven year 10% maintenance and operation budget override beginning FY 2013-2014.	\$350,000	Fail	38.9%
Sunnyside Unified No. 12	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$11,928,584	Fail	47.2%
Tanque Verde Unified No. 13	11/6/12	Authorizes seven year 5% maintenance and operation budget override beginning FY 2013-2014.	\$444,000	Fail	47.1%
Tempe Elementary No. 3	11/6/12	Authorizes seven year capital outlay budget override for textbooks and instructional materials; instructional technology; equipment; and administrative IT systems.	\$5,000,000	Pass	53.6%
Tempe Union No. 213	11/6/12	Authorizes issuance of Class B general obligation bonds for school and administrative additions, renovations and site improvements; and busses.	\$75,000,000	Pass	66.5%
Tempe Union No. 213	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$9,810,000	Fail	48.7%
Thatcher Unified No. 4	11/6/12	Authorizes issuance of Class B general obligation bonds for school new construction, renovations and furniture and equipment; and administrative renovations and furniture and equipment.	\$7,500,000	Pass	56.3%

SCHOOL DISTRICT BOND AND OVERRIDE QUESTIONS

Jurisdiction	Election Date	Descriptive Title	Bond or Annual Override Amount	Pass or Fail	Yes %
Tolleson Elementary No. 17	11/6/12	Authorizes seven year 15% maintenance and operation budget override beginning FY 2013-2014.	\$1,900,000	Pass	55.3%
Tolleson Elementary No. 17	11/6/12	Authorizes seven year capital outlay budget override for technology; textbooks, library books and instructional materials; science and classroom furniture and equipment; renovations; and pupil transportation vehicles.	\$750,000	Pass	51.1%
Toltec Elementary No. 22	11/6/12	Authorizes seven year 10% maintenance and operation budget override beginning FY 2013-2014.	\$515,245	Fail	32.0%
Washington Elementary No. 6	11/6/12	Authorizes seven year capital outlay budget override for student technology; hardware and software improvements; and administrative network infrastructure improvements.	\$7,800,000	Fail	48.2%
West-MEC No. 402	11/6/12	Authorizes issuance of general obligation bonds for new construction; renovations; furniture and equipment; and land.	\$74,900,000	Pass	59.9%
Williams Unified No. 2	11/6/12	Authorizes seven year 10% maintenance and operation budget override beginning FY 2013-2014.	\$375,000	Pass	55.7%
Wilson Elementary No. 7	11/6/12	Authorizes issuance of Class B general obligation bonds for school maintenance and major repairs; busses; and administrative facility repairs and upgrades.	\$3,600,000	Pass	66.1%
Wilson Elementary No. 7	11/6/12	Authorizes seven year capital outlay budget override for school technology; library software and books; textbooks; and musical instruments, sports equipment and art material.	\$495,000	Pass	53.0%

SCHOOL DISTRICT OTHER ISSUES

Jurisdiction	Election Date	Descriptive Title	Pass or Fail	Yes %
Bisbee Unified No. 2	11/6/12	Authorizes participation in a Joint Technological Education District, including a property tax rate of \$0.05 per \$100 of secondary assessed valuation.	Pass	60.9%
Cartwright Elementary No. 83	11/6/12	Authorizes District to withdraw participation from the Joint Technological Education District, including elimination of the \$0.05 property tax rate per \$100 of secondary assessed valuation.	Fail	40.6%
Fowler Elementary No. 45	11/6/12	Authorizes District to withdraw participation from the Joint Technological Education District, including elimination of the \$0.05 property tax rate per \$100 of secondary assessed valuation.	Pass	55.3%
Higley Unified No. 60	11/6/12	Authorizes the District to enter into lease agreements, for longer than five years, to build, improve and furnish schools at three specified locations.	Pass	69.7%
Payson Unified No. 10	11/6/12	Authorizes lease, sale or exchange of part or all of the Frontier Elementary School site.	Pass	71.6%
Peach Springs Unified No. 8	11/6/12	Diminishes District boundaries.	Fail	43.9%
Phoenix Elementary No. 1	11/6/12	Authorizes acquisition of new school site and construction and renovation of school buildings on the site.	Pass	67.3%
Sierra Vista Unified No. 68	11/6/12	Authorizes participation in a Joint Technological Education District, including a property tax rate of \$0.05 per \$100 of secondary assessed valuation.	Pass	69.8%
Tolleson Union No. 214	11/6/12	Authorizes participation in a Joint Technological Education District, including a property tax rate of \$0.05 per \$100 of secondary assessed valuation.	Pass	71.6%

COUNTY, CITY/TOWN AND SPECIAL DISTRICT QUESTIONS

Prop #	Jurisdiction	Election Date	Descriptive Title	Pass or Fail	Yes %
COCHISE COUNTY					
405	Bisbee	11/6/12	Authorizes Mayor and Council to increase City transaction privilege tax by one percent of gross revenues subject to tax. Of the additional revenue collected, 1/4 is for City infrastructure needs and 3/4 is for general government expenses.	Fail	42.2%
406	Tombstone	11/6/12	Authorizes an alternative expenditure limitation for the City for the next four fiscal years. The amount of the alternative limitation is determined each year by the City Council at public meeting.	Pass	67.0%
—	Willcox	11/6/12	Authorizes a franchise agreement between the City and the Sulphur Springs Valley Electric Cooperative.	Pass	83.8%
Q2	Sierra Vista	11/6/12	Authorizes a franchise agreement between the City and the Sulphur Springs Valley Electric Cooperative, including a 2% utility tax.	Pass	57.8%
COCONINO COUNTY					
405	Flagstaff	11/6/12	Authorizes issuance of \$10,000,000 general obligation bonds for forest health and water supply protection.	Pass	72.6%
406	Flagstaff	11/6/12	Authorizes issuance of \$14,000,000 general obligation bonds for a core services maintenance facility.	Pass	52.9%
—	Pinewood Sanitary District	11/6/12	Authorizes 3,000,000 WIFA loan agreement for expansion of sewage service to designated areas.	Pass	74.4%
GILA COUNTY					
—	Christopher-Kohl's Fire District	11/6/12	Increases, from three to five, the number of Fire District Board members.	Pass	82.1%
GRAHAM COUNTY					
400	Graham County	11/6/12	Establishes a County Free Library District, including authorization of a \$0.20 tax per \$100 of secondary assessed property value.	Fail	40.2%
—	Pima	8/28/12	Continues the alternative expenditure limitation for the Town for the next four fiscal years. The amount of the alternative limitation is determined each year by the Town Council at public meeting.	Pass	72.2%
MARICOPA COUNTY					
—	Buckeye	11/6/12	Authorizes issuance of \$28,500,000 water and sewer revenue bonds for improvements and extensions to the Town's systems.	Pass	65.2%
451	Carefree	11/6/12	Ratifies Town of Carefree General Plan 2030.	Pass	73.7%
452	Chandler	11/6/12	Increases, from two years to four years, the term for the office of Mayor.	Pass	63.2%
455	El Mirage	11/6/12	Continues the alternative expenditure limitation for the City for the next four fiscal years. The amount of the alternative limitation is determined each year by the City Council at public meeting.	Pass	50.4%

COUNTY, CITY/TOWN AND SPECIAL DISTRICT QUESTIONS

Prop #	Jurisdiction	Election Date	Descriptive Title	Pass or Fail	Yes %
457	Glendale	11/6/12	In lieu of requiring voter approval for the levy of transaction privilege taxes by the Council, establishes maximum excise tax rate thresholds for the levy of taxes by the City Council. Tax rate levies in excess of the thresholds require prior voter approval.	Fail	34.2%
460	Mesa	11/6/12	In lieu of the Vice Mayor becoming Mayor when the office is vacated with more than two years remaining in the term, requires an election to fill the position.	Pass	51.7%
461	Mesa	11/6/12	Changes, from March 1 to prior to the beginning of each fiscal year, the date by which the City Manager is required to provide the five-year capital program to the City Council.	Pass	59.4%
462	Mesa	11/6/12	In lieu of Charter specified election dates, authorizes the Council to set election dates for the City. If the Council does not act, the dates for the City follow State law.	Fail	47.4%
463	Mesa	11/6/12	In lieu of a Charter specified date for the commencement of Council terms, authorizes the Council to set the date for the City. If the Council does not act, the date for the City commencement of Council terms follows State law.	Fail	43.4%
464	Mesa	11/6/12	Eliminates primary elections for Mayor and District Councilmembers if there are less than three qualified candidates.	Fail	49.8%
Q1	Mesa	11/6/12	Authorizes issuance of \$70,000,000 general obligation bonds for parks, recreational facilities, aquatic facilities, museums, open space, and bike and pedestrian paths.	Pass	58.8%
454	Paradise Valley	11/6/12	In lieu of a public vote for electing the Mayor, authorizes selection of the Mayor by the Council, from among the Council members.	Fail	44.1%
Q	Surprise	11/6/12	Authorizes a franchise agreement between the City and Arizona Public Service for the construction, maintenance and operation of electrical transmission and distribution facilities for the City.	Pass	65.8%
Q1	Tempe	11/6/12	Authorizes issuance of \$6,400,000 general obligation bonds for public safety purposes.	Pass	66.1%
Q2	Tempe	11/6/12	Authorizes issuance of \$10,500,000 general obligation bonds for park improvement/community services purposes.	Pass	65.3%
Q3	Tempe	11/6/12	Authorizes issuance of \$12,900,000 general obligation bonds for municipal infrastructure preservation purposes.	Pass	60.5%
456	Wickenburg	11/6/12	Requires a portion of annual budget be allotted to fully fund and operate the public library for at least 40 hours each week.	Pass	58.1%
453	Youngtown	11/6/12	Authorizes a permanent adjustment of the Town base expenditure limitation.	Pass	73.8%

COUNTY, CITY/TOWN AND SPECIAL DISTRICT QUESTIONS

Prop #	Jurisdiction	Election Date	Descriptive Title	Pass or Fail	Yes %
MOHAVE COUNTY					
401	Mohave County	11/6/12	Modifies the definition of "kennel" for purposes of required licensure, etc. The current definition, on parcels of one acre or less, excludes two resident dogs and on parcels larger than one acre, excludes four resident dogs. The proposed definition excludes four dogs and four cats on parcels of half acre or less and refers to zoning ordinances for larger properties.	Fail	45.0%
Q1	Lake Havasu City	11/6/12	Franchise agreement between the City and EPCOR Water Arizona Inc. for the use of municipal rights-of-way for the provision of water services.	Pass	68.8%
NAVAJO COUNTY					
401	Show Low	11/6/12	Authorizes a permanent adjustment of the City base expenditure limitation.	Fail	42.7%
PIMA COUNTY					
409	Tucson	11/6/12	Authorizes issuance of \$100,000,000 general obligation bonds for street improvements.	Pass	50.1%
411	Avra Valley Fire District No. 8	11/6/12	Authorizes issuance of \$4,135,000 bonds for fire facilities, trucks and equipment. (See Pinal County.)	Pass	65.7%
PINAL COUNTY					
—	Avra Valley Fire District No. 8	11/6/12	Authorizes issuance of \$4,135,000 bonds for fire facilities, trucks and equipment. (See Pima County.)	Pass	67.6%
YAVAPAI COUNTY					
—	Montezuma-Rimrock Fire District	11/6/12	Authorizes five year 5% property tax levy increase for ongoing fire district operations, beginning FY 2013-2014.	Pass	60.3%
YUMA COUNTY					
402	Yuma	11/6/12	Adoption of City of Yuma 2012 General Plan.	Pass	63.3%



Preparing for Bond and Override Elections

1:30 p.m. to 3:30 p.m.

February 5, 2013

Washington Elementary School Administration Center Navajo Room

Agenda

Topic	Est. Start Time	Presenter(s)
Introduction		
Legal Requirements for Bonds & Overrides	1:30 p.m.	Randie Stein
Election Statistics and Strategies	1:45 p.m.	Judy Richardson/Erika Miller
Election Consultant-Passing Bond and Override Elections – The New Challenge	2:05 p.m.	Paul Ulan
Intro to Panel Discussion	2:30 p.m.	Mike LaVallee
Q&A with Group Discussion on Do's & Don'ts, Tactics & Election Preparation		Michael Cafiso, Roger Freeman Bobette Sylvester, Paul Ulan

Handouts Included in Folder:

- Compliance Requirements for Bonds and Overrides
- Election Statistics and Strategies Presentation
- Comparison Bonds and Capital Outlay Overrides
- Use of Bond Proceeds
- Calendar for November 5, 2013 School District Elections
- Preliminary Efforts of Stakeholder Committees
- Passing Bond & Override Elections-The New Challenge Presentation (Paul Ulan/Primary Consultants)
- Arizona Attorney General Guidelines
- Guidelines for Activities during Elections (Michael Cafiso/Greenberg Traurig, LLP)

School Capital Finance Seminar

Ritz-Carlton Hotel
March 7, 2013
11:30 a.m. to 1:45 p.m.

Agenda

	<u>Item</u>	<u>Speaker</u>
11:30 a.m.	Networking	
12:00 p.m.	Luncheon Begins-Welcome & Introductions	Erika Miller <i>Stifel, Nicolaus & Company, Incorporated</i>
12:05 p.m.	Vote-By-Mail Elections (Pima County)	Ricky D. Hernandez, CFO <i>Office of the Pima County School Superintendent</i>
12:35 p.m.	Vote-By-Mail Elections (Maricopa County)	Ray Valenzuela, Assistant Director <i>Maricopa County Elections Department</i>
1:00 p.m.	Legislative Update	Judy Richardson Randie Stein <i>Stifel, Nicolaus & Company, Incorporated</i>
1:30 p.m.	Open Discussion	

Lunch at the Ritz

Analysis of Arizona School District Bonding Capacity

By: Michael LaVallee, Stone & Youngberg
Sandra Park, Stone & Youngberg
Jeremy Calles, Kyrene Elementary School District

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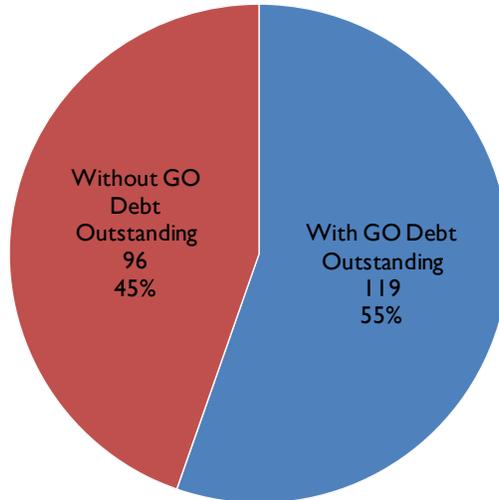
December 6, 2012

STIFEL NICOLAUS

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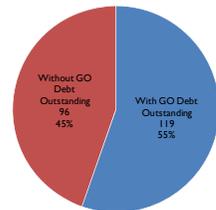
Districts with and without GO Debt Outstanding*



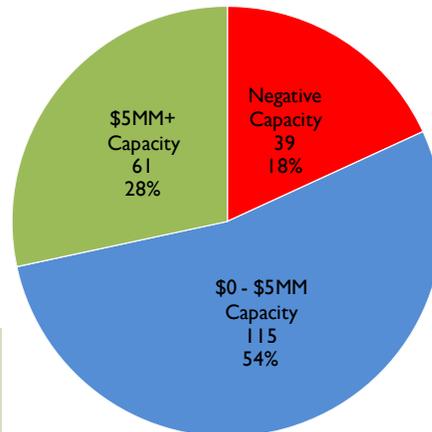
* May not include debt that was privately placed.

Current Class B Bonding Capacity Snapshot as of 9/1/12

Districts with and without GO Debt Outstanding



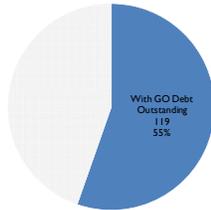
For All Arizona School Districts



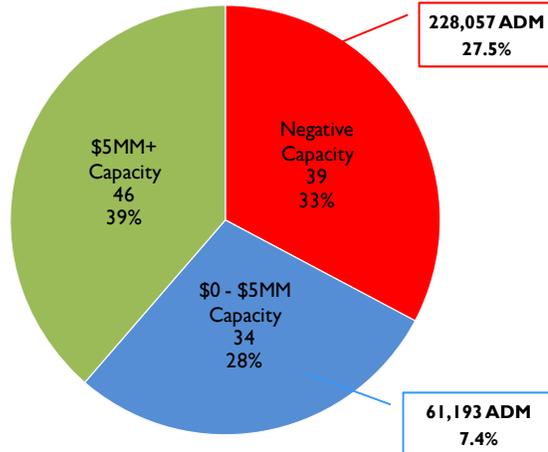
Number of Districts	ADM (thousands)	% of State's ADM	Average Net Statutory Capacity per District (millions)	Average Net Statutory Capacity per ADM	Average % Over Gross B Capacity	Estimated Average Years to Break Even*
39	228	25%	(\$10)	(\$1.653)	33%	3.3

Current Class B Bonding Capacity Snapshot as of 9/1/12

Districts with GO Debt Outstanding



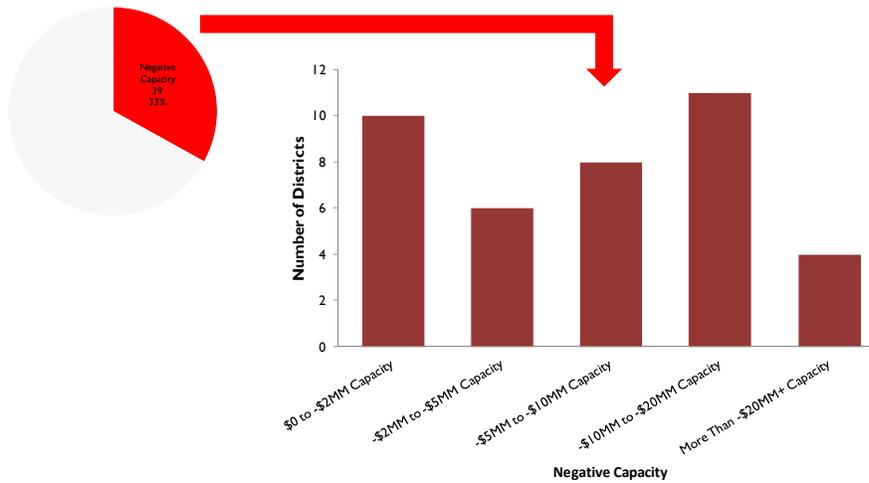
For Arizona School Districts with Outstanding GO Debt



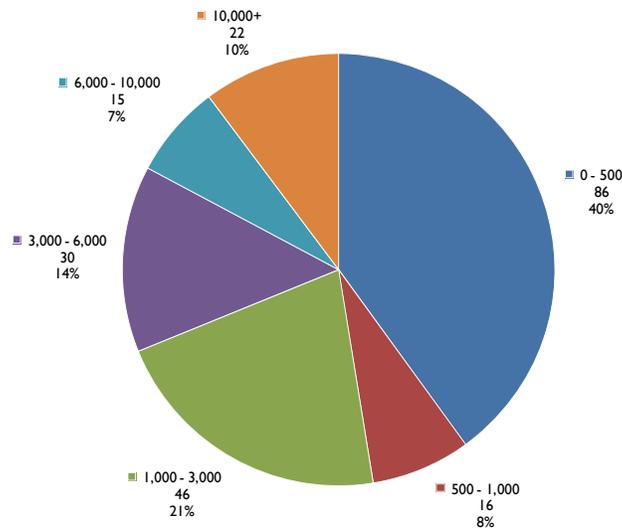
Current Class B Bonding Capacity Snapshot as of 9/1/12

Districts with GO Debt Outstanding and Negative Class B Bonding Capacity

How Negative?

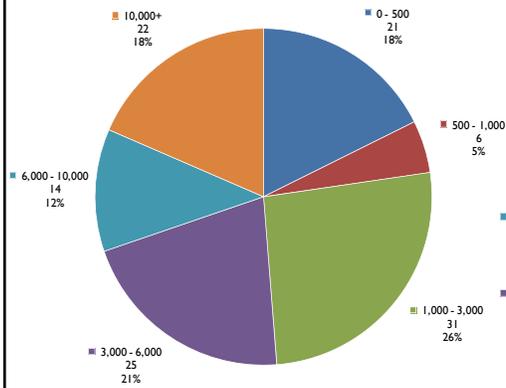


All Arizona School Districts by Average Daily Membership (ADM)

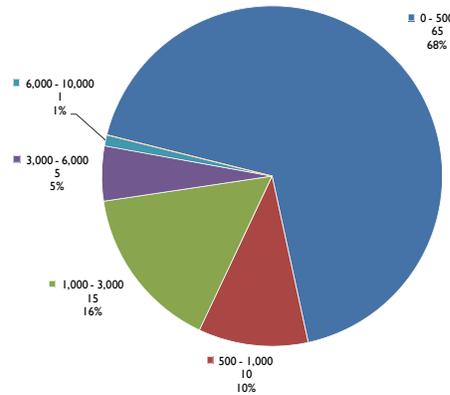


Districts with and without GO Debt Outstanding by ADM

Districts with GO Debt Outstanding

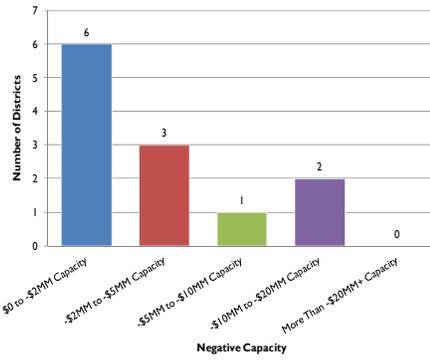


Districts without GO Debt Outstanding

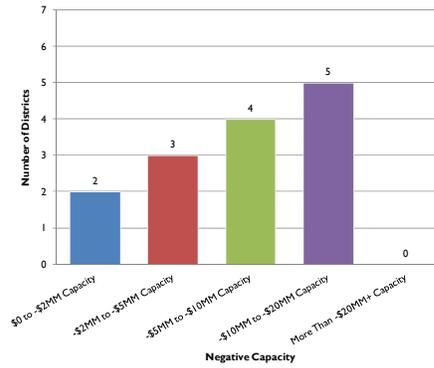


Districts with Negative GO Class B Bonding Capacity ADM

FY 2011-12
0 – 3,000 ADM

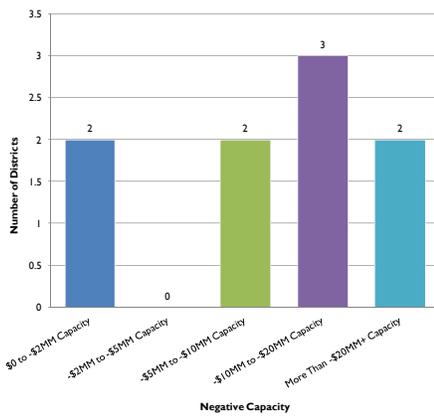


FY 2011-12
3,000 – 6,000 ADM

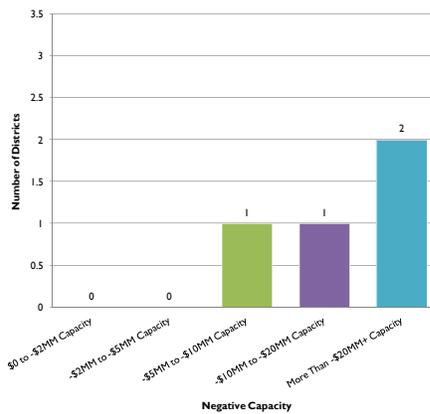


Districts with Negative GO Class B Bonding Capacity ADM

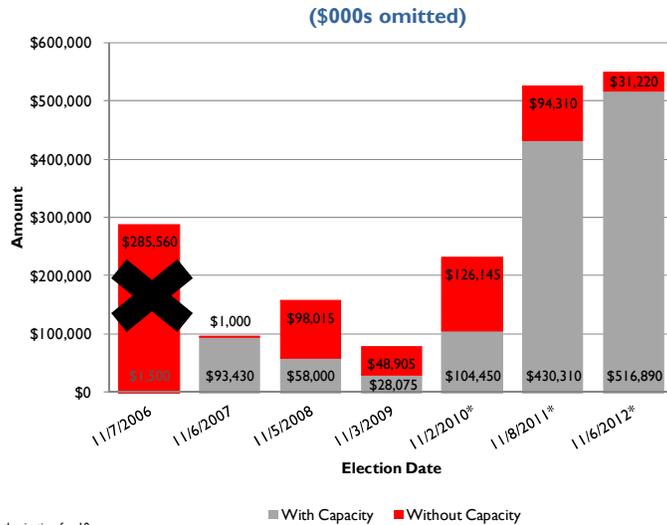
FY 2011-12
6,000 – 10,000 ADM



FY 2011-12
10,000+ ADM



GO Bonds Authorized but Unissued as of 11/6/12



Lunch at the Ritz Seminar
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Analysis of Gross Capacity per ADM

	Number of Districts	ADM (thousands)	% of State's ADM	Average Net Capacity per District (millions)	Average Net Statutory Capacity per ADM	Average % Over Gross Capacity	Estimated Average Years to Break Even*
Districts with Negative Statutory Capacity (Includes 14 USDs, 20 ESDs and 5 UHSDs)	39	228	25%	(\$10)	(\$1,653)	33%	3.3
Districts with at Least 25% Over Negative Statutory Capacity (Includes 8 USDs, 11 ESDs and 2 UHSDs)	21	130	14%	(14)	(2,297)	53%	5.3
Districts with at Least 47% Over Negative Statutory Capacity (Includes 7 USDs, 6 ESDs and 1 UHSD)	14	91	10%	(16)	(2,533)	63%	6.3

* Assumes recoupment of 10% of gross capacity per year (e.g., 5% annual SAV growth and repayment of 5% of outstanding debt annually).

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For Discussion

Global Issue:

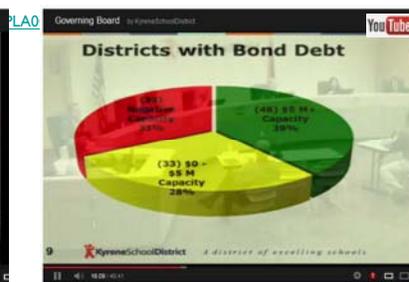
- ❑ What are prospects Legislature will find money to give to districts? 3-5 years?
- ❑ More and more districts need dollars for Building Renewal and/or new growth (two year lag)
- ❑ With SAVs expected to decline in 2013/14, more districts likely to enter Negative Bonding Capacity territory
- ❑ Average years to break even (i.e. back to zero) = 3-6 years
- ❑ How long before districts actually have meaningful capacity?
- ❑ Legislation being proposed to raise bonding limit
- ❑ Be proactive in your community → See Kyrene ESD example

Kyrene ESD Example

1. What created the problem?
 2. Study Sessions and Board Meetings – provide specific examples
 - Superintendent's Message to the Community about Bonds
- http://www.youtube.com/watch?v=cqtKZ8lIQbk&list=PL33EF06D374721F2F&index=1&feature=plpp_video
- Study Session on Bonds



Dr. Schauer addresses the ability to sell bonds in Kyrene. 11/30/2012



11/27/12 - Kyrene School District - Governing Board Meeting - Study Session

Kyrene ESD Example

3. Provide data and basic training:

- Capital Improvement Plan
<http://www.kyrene.org/cip>
- General Budget Information
<http://www.kyrene.org/Page/17434>
- School Finance 101
<http://www.kyrene.org/Page/13722>

4. What can you do to help?

[Political contacts and sample letters)

<http://www.kyrene.org/Page/1056>

The screenshot shows the Kyrene School District website. The main heading is "Kyrene School District" with the address "4100 South Kyrene Road, Tempe, AZ 85284" and phone number "480-541-1000". The navigation menu includes Home, About Kyrene, Administration, Fees, Schools, Departments, Programs & Services, Parents, Students, and Employees. The page content is titled "Budgetary Concern Regarding Bonds and What YOU Can Do". It includes a section for "Current Legislative Contacts" with a table of representatives and their contact information.

DISTRICT 18	Email	Phone	Fax	Bond Letter
John McComish Senate	R jmccomish@azleg.gov	602-926-5898	602-417-3020	Click here
Jeff Dial House	R jdial@azleg.gov	602-926-5550	602-417-3120	
Bob Robison House	R brobison@azleg.gov	602-926-5549	602-417-3157	

Disclosure

Note: The information in this analysis is not intended to be used as the primary basis for determining a district's bonding capacity, tax rate or ability to sell bonds. This analysis is based on assumptions provided by sources considered to be reliable, including the districts, but is not guaranteed as to accuracy and does not purport to be complete. Any information expressed in this analysis is subject to change.

Additional Information

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APPENDIX C

COMBINED ARIZONA MUNICIPAL FINANCING EXPERIENCE (2008 TO DATE)

Dated Date	Issuer Name	Issue Description	Par (\$000)	Firm Role	Sale Type
05/23/2013	Peoria USD No. 11	Refunding Bonds, Taxable	\$32,235 PA		PP
05/17/2013	Dysart USD No. 89	Refunding Bonds, Taxable	16,610 PA		PP
05/15/2013	Chandler USD No. 80	Refunding Bonds, Taxable	16,880 PA		PP
05/10/2013	Mountain Vista Fire Dist	Lease Refinancing	7,183 PA		PP
04/23/2013	Sunnyside USD No. 12	Sch Imp Bonds, Proj 2011, Taxable	6,500 PA		PP
04/23/2013	Sunnyside USD No. 12	Sch Imp Bonds, Proj 2011	14,175 Sole		Neg
04/18/2013	Tempe UHSD No. 213	Sch Imp Bonds, Proj 2012	33,000 Lead		Neg
04/18/2013	Tempe UHSD No. 213	Sch Imp Bonds, Proj 2012	12,475 Lead		Neg
04/16/2013	Mesa USD No. 4	Sch Imp Bonds, Proj 2012	46,000 FA		Neg
04/11/2013	Arizona School Facilities Board	Taxable State School Improv Rev Ref Bonds	316,165 FA		Neg
04/11/2013	Miami, Town of Municipal Prop Corp	Lease Purchase Financing	4,791 PA		PP
04/10/2013	Arizona Board of Regents	System Rev Bonds	69,175 Co		Neg
04/10/2013	Arizona Board of Regents	System Rev Bonds	34,985 Co		Neg
04/10/2013	Cartwright ESD No. 83	School Improv Bonds, Proj of 2010	8,900 Sole		Neg
04/09/2013	Western Maricopa Education Center Dist No. 4	Sch Imp Bonds, Proj 2012	35,000 Sole		Neg
03/21/2013	Parker, Town of	Excise Tax Rev Oblig, Taxable	1,565 PA		PP
03/21/2013	Parker, Town of	Excise Tax Rev Ref Oblig	305 PA		PP
02/27/2013	Paradise Valley USD No. 69	School Improv Bonds, Project of 2011, Taxable	12,150 PA		PP
02/27/2013	Paradise Valley USD No. 69	School Improv Bonds, Project of 2011	37,850 FA		Neg
01/31/2013	Chandler USD No. 80	School Improv Bonds, Project of 2011	17,375 Sole		Neg
01/31/2013	Continental ESD No. 39	School Improv Bonds, Project of 2010	4,815 Sole		Neg
01/31/2013	Florence, Town of	Lease Purchase Financing	1,400 PA		PP
01/29/2013	Arizona Transportation Board	Subordinate Highway Rev Bonds, Tax-Exempt	602,765 Co		Neg
01/29/2013	Arizona Transportation Board	Subordinate Highway Rev Bonds, Taxable	112,705 Co		Neg
01/22/2013	Metropolitan Domestic Water Improv Dist	Senior Lien Water Rev Refunding Bonds	2,940 PA		PP
01/22/2013	Metropolitan Domestic Water Improv Dist	Subordinate Obligation Rev Refunding Bonds	8,787 PA		PP
01/18/2013	Summit Fire Dist	Lease Purchase Refinancing	3,326 PA		PP
01/09/2013	Deer Valley USD No. 97	School Improv Bonds, Project of 2008	23,400 Co		Neg
12/11/2012	Crane ESD No. 13	Tax-Exempt Equipment Lease-Purchasing Financing	3,246 PA		PP
11/16/2012	Glendale UHSD No. 205	Taxable Refunding Bonds	50,495 PA		PP
11/02/2012	Drexel Heights Fire Dist	GO Refunding Bonds, Taxable	1,000 PA		PP
10/03/2012	Florence, Town of	Merrill Ranch CFD No. 2 GO Bonds	500 PA		PP
10/03/2012	Florence, Town of	Merrill Ranch CFD No. 1 GO Bonds	900 PA		PP
09/27/2012	Show Low, City of	WIFA Loan (Park Valley & Fools Hollow Water Sys	2,000 FA		PP
09/25/2012	Casa Grande UHSD No. 82	Tax-Exempt Private Placement Equipment Lease/Purchasing	2,210 PA		PP
09/20/2012	Gilbert USD No. 41	Refunding Bonds	29,710 FA		Neg
08/23/2012	La Paz, County of	Tax-Exempt Financing Agreement (Refinancing)	300 PA		PP
08/23/2012	La Paz, County of	Taxable Acquisition Agreement (Refinancing)	1,015 PA		PP
08/23/2012	La Paz County Jail Dist	Lease-Purchase Agreement (Refinancing)	1,585 PA		PP
08/23/2012	Washington ESD No. 6	School Improv Bonds, Project of 2010	20,000 FA		Comp
08/14/2012	Navajo County	Pledged Rev Obligations	8,500 PA		PP
08/09/2012	Higley USD No. 60	Refunding Bonds	11,780 Sole		Neg
08/08/2012	Kyrene ESD No. 28	School Improv Bonds, Project of 2010, Taxable	2,530 PA		PP
07/24/2012	Phoenix UHSD No. 210	School Improv Bonds, Project of 2011, Taxable	12,000 PA		PP
07/24/2012	Phoenix UHSD No. 210	School Improv Bonds, Project of 2011	38,000 FA		Neg
07/18/2012	Florence, Town of	Merrill Ranch CFD No. 1 Special Assess Lien Bonds	189 PA		PP
07/10/2012	Union ESD No. 62	School Improv Bonds, Project of 2006	2,540 Sole		Neg
07/10/2012	Buckeye, Town of	Festival Ranch CFD District GO Bonds	5,400 Sole		Neg
07/03/2012	Marana USD	School Improv Bonds, Project of 2010	2,500 PA		PP
06/28/2012	Scottsdale (City of)	GO Refunding Bonds	83,025 Co		Neg
06/28/2012	Prescott Valley MPC	Municipal Facilities Rev Refunding Bonds	11,420 Sole		Neg
06/28/2012	Prescott Valley MPC	Municipal Facilities Rev Refunding Bonds	5,840 Sole		Neg
06/27/2012	Tucson, City of	Water System Rev Obligations	31,555 Lead		Neg
06/20/2012	Kyrene ESD No. 28	Refunding Bonds, Taxable	43,030 PA		PP
06/20/2012	Florence USD No. 1	Refunding Bonds	4,895 Sole		Neg
06/20/2012	Arizona Board of Regents	Refunding Certificates of Participation (UofA Proj) A-1	2,145 Co		Neg
06/20/2012	Arizona Board of Regents	Refunding Certificates of Participation, Taxable A-2	10,190 Co		Neg
06/20/2012	Arizona Board of Regents	Refunding Certificates of Participation, B	20,600 Co		Neg
06/20/2012	Arizona Board of Regents	Refunding Certificates of Participation, C	124,940 Co		Neg
06/14/2012	Agua Fria UHSD No. 216	School Improv Bonds, Project of 2011, A	22,300 Sole		Neg
06/14/2012	Glendale ESD No. 40	School Improv Bonds, Project of 2011, A	5,220 Sole		Neg
06/13/2012	Peoria USD No. 11	Refunding Bonds	44,065 Sole		Neg
06/13/2012	Phoenix, City of	GO Bonds, Tax-Exempt	103,360 Co		Neg
06/13/2012	Phoenix, City of	GO Bonds, Taxable	16,640 Co		Neg
06/13/2012	Phoenix, City of	GO Refunding Bonds, C	176,465 Co		Neg
06/12/2012	Buckeye ESD No. 33	Refunding Bonds	2,135 Sole		Neg
06/07/2012	Coolidge USD No. 21	Refunding Bonds	3,795 Sole		Neg
06/07/2012	Glendale ESD No. 40	School Improv Bonds, Project of 2011, Taxable	4,380 PA		PP
06/07/2012	Humboldt USD No. 22	Refunding Bonds	7,410 Sole		Neg
06/05/2012	Riverside ESD No. 2	School Improv Bonds, Project of 2011, Taxable	3,010 PA		PP
05/24/2012	Oro Valley, Town of	Senior Lien Water Project Rev Refunding Obligations	16,595 Sole		Neg
05/23/2012	Prescott Valley, Town of	Southside CFD No. 1 Partial Def	418 FA		PP
05/22/2012	Saddle Mountain USD No. 90	Taxable Refunding Bonds	5,650 PA		PP

Dated Date	Issuer Name	Issue Description	Par (\$000)	Firm Role	Sale Type
05/10/2012	Toltec ESD No. 22	School Improv Bonds, Project of 2008	\$4,000	PA	PP
04/25/2012	Arizona Board of Regents	UofA System Rev Refunding Bonds, Taxable	21,860	Co	Neg
04/25/2012	Arizona Board of Regents	University of Arizona System Rev Bonds, A	74,050	Co	Neg
04/11/2012	Tucson, City of	GO Refunding Bonds	11,315	Lead	Neg
04/11/2012	Tucson, City of	GO Refunding Bonds, Tax-Exempt	11,745	Lead	Neg
04/05/2012	Oro Valley, Town of	Excise Tax Rev Obligations	2,580	Sole	Neg
04/04/2012	Marana USD	School Improv Bonds, Project of 2010	11,825	Sole	Neg
03/28/2012	Holbrook, City of	Excise Tax Rev Refunding Bonds	3,224	PA	PP
03/27/2012	Yuma County	Excise Tax Secured Obligations	2,435	FA	PP
03/15/2012	Glendale UHSD No. 205	School Improv Bonds, Project of 2011	22,440	FA	Comp
03/09/2012	Somerton, City of	WIFA Loan	2,047	FA	PP
03/09/2012	Somerton, City of	WIFA Loan	1,187	FA	PP
03/08/2012	Chandler USD No. 80	Refunding Bonds	30,000	Sole	Neg
03/07/2012	Arizona Water Infrastructure Finance Auth	Water Quality Rev Refunding Bonds	164,610	Co	Neg
03/07/2012	Arizona Water Infrastructure Finance Auth	Water Quality Rev Refunding Bonds, Taxable	47,600	Co	Neg
03/06/2012	Sunnyside USD No. 12	School Improv Bonds, Project of 2011	14,675	Sole	Neg
03/02/2012	Eagar, Town of	WIFA Loan	350	PA	PP
02/29/2012	Phoenix-Mesa Gateway Airport Auth	Special Facility Rev Bonds (Mesa Project)	19,220	Co	Neg
02/21/2012	Paradise Valley USD No. 69	School Improv Bonds, Project of 2011	54,000	FA	Neg
02/15/2012	Tucson, City of	Water System Rev Refunding Bonds, B	14,635	Lead	Neg
02/15/2012	Tucson, City of	Water System Rev Refunding Bonds, Tax-Exempt A	36,120	Lead	Neg
02/09/2012	Willcox USD No. 13	School Improv Bonds, Project of 2011	7,195	Sole	Neg
01/27/2012	Higley USD No. 60	Tax-Exempt Private Equipment Lease/Purchase Financing	5,456	PA	PP
01/26/2012	Continental ESD No. 39	School Improv Bonds, Project of 2010	9,185	Sole	Neg
01/26/2012	Balsz ESD No. 31	School Improv Bonds, Project of 2011	15,555	Sole	Neg
01/25/2012	Florence, Town of	Merrill Ranch CFD No. 1 Special Assess Area Four	319	PA	PP
01/04/2012	Scottsdale USD No. 48	School Improv Bonds, Project of 2010	59,000	Sole	Neg
12/21/2011	Tucson USD No. 1	Refunding Bonds, Tax-Exempt	28,115	FA	Neg
12/21/2011	Tucson USD No. 1	Refunding Bonds, Federally Taxable	22,885	FA	Neg
12/20/2011	Deer Valley USD No. 97	School Improv Bonds, Project of 2008	30,000	Co	Neg
12/15/2011	Mohave County	Defeasance Scenic Improv District Scenic Road	900	PA	PP
12/13/2011	Somerton, City of	Pledged Rev Obligations, Tax-Exempt	75	Sole	Neg
12/13/2011	Somerton, City of	Pledged Rev Oblig (QECB)	980	Sole	Neg
11/29/2011	Arizona Transportation Board	Subordinate Lien Highway Rev Bonds Tax-Exempt	485,230	Co	Neg
11/29/2011	Arizona Transportation Board	Subordinate Lien Highway Rev Bonds Taxable	70,670	Co	Neg
11/29/2011	Tombstone USD #1	QSCB Lease-Purch Energy Saving Financing	1,673	PA	PP
11/28/2011	Window Rock USD No. 8	Impact Aid Rev Bonds, Tax-Exempt A-1	350	Sole	Neg
11/28/2011	Window Rock USD No. 8	Impact Aid Rev Bonds, A-2 (QSCB)	20,000	Sole	Neg
11/09/2011	Pinal County Electric Dist No. 3	Electric System Rev Refunding Bonds	120,235	Co	Neg
10/24/2011	St. David USD No. 21	Refunding Bonds	1,230	PA	PP
10/13/2011	Tolleson, City of	GO Bonds	7,880	Sole	Neg
10/13/2011	Tolleson, City of	GO Refunding Bonds	10,690	Sole	Neg
09/29/2011	La Paz, County of	Excise Tax Rev Judgment Bonds, Taxable B	1,875	Sole	Neg
09/29/2011	La Paz, County of	Excise Tax Rev Judgment Bonds, A	16,240	Sole	Neg
09/15/2011	Roosevelt ESD No. 66	Certificates of Participation, Tax-Exempt	120	Sole	Neg
09/15/2011	Yuma County Jail Dist	Pledged Rev Refunding and Capital Improv Obligations	8,000	Sole	Neg
09/15/2011	Roosevelt ESD No. 66	Certificates of Participation (QSCB)	5,700	Sole	Neg
09/01/2011	Sunnyside USD No. 12	Tax-Exempt Lease Trust Certificates Energy System Improvs	981	PA	PP
08/25/2011	Grand Canyon USD No. 4	Taxable Qualified School Construction Bonds Lease-	730	PA	PP
08/25/2011	Prescott Valley MPC	Municipal Facilities Rev Refunding Bonds	14,365	Sole	Neg
08/19/2011	Sunnyside USD No. 12	Tax-Exempt Lease Trust Certificates Energy System Improvs	1,142	PA	PP
08/11/2011	Queen Creek USD No. 95	School Improv Bonds, Project of 2010	2,265	Sole	Neg
08/10/2011	Rio Rico Fire Dist	GO Bonds, Project of 2007	1,695	Sole	Neg
08/09/2011	Navajo, County of	Improv Bonds	295	FA	PP
07/20/2011	Northern Gila County Sanitary Dist	Special Assessment Bonds (Airline/Luke Corridor Sewer	635	Sole	Neg
06/22/2011	Vail USD No. 20	School Improv Bonds, Project of 2009	5,000	Sole	Neg
06/21/2011	Tucson, City of	Water System Rev Bonds	30,965	Lead	Neg
06/21/2011	Tucson, City of	Certificates of Participation	14,310	Lead	Neg
06/21/2011	Tucson, City of	Certificates of Participation, QECB, Taxable	1,430	Lead	Neg
06/21/2011	Tucson, City of	Certificates of Participation, Taxable	3,900	Lead	Neg
06/17/2011	Riverside ESD No. 2	Refunding Bonds	3,820	Sole	Neg
06/16/2011	Benson USD No. 9	School Improv Bonds, Project of 2007	2,995	Sole	Neg
06/15/2011	Arizona Board of Regents	University of Arizona SPEED Rev Bonds	39,595	Co	Neg
06/15/2011	Maricopa USD No. 20	Refunding Bonds	2,260	Sole	Neg
06/15/2011	Florence USD No. 1	Refunding Bonds	4,895	Sole	Neg
06/14/2011	Regional Transportation Auth	Transportation Excise Tax Rev Bonds (Pima County Reg	136,480	FA	Neg
06/14/2011	Humboldt USD No. 22	Refunding Bonds	6,590	Sole	Neg
06/09/2011	Tolleson ESD No. 17	School Improv Bonds, Project of 2006	2,960	Sole	Neg
06/09/2011	Catalina Foothills USD No. 16	School Improv Bonds, Project of 2009	6,500	Sole	Neg
06/09/2011	Amphitheater USD No. 10	School Improv Bonds, Project of 2007	50,000	Sole	Neg
06/07/2011	Phoenix Civic Improv Corp	Senior Lien Excise Tax Rev Bonds, A	27,530	Co	Neg
06/07/2011	Phoenix Civic Improv Corp	Senior Lien Excise Tax Rev Bonds, B Taxable	59,195	Co	Neg
06/07/2011	Phoenix Civic Improv Corp	Senior Lien Excise Tax Rev Refunding Bonds, C	24,305	Co	Neg

Dated Date	Issuer Name	Issue Description	Par (\$000)	Firm Role	Sale Type
06/07/2011	Phoenix Civic Improv Corp	Senior Lien Excise Tax Rev Refunding Bonds, Taxable D	\$22,805	Co	Neg
06/07/2011	Phoenix Civic Improv Corp	Subordinated Excise Tax Rev Refunding Bonds, Taxable	27,500	Co	Neg
06/02/2011	Mesa, City of	GO Bonds	29,320	Co	Neg
06/02/2011	Rincon Valley Fire Dist	GO Bonds, Project of 2007	1,650	Sole	Neg
05/26/2011	Camp Verde, Town of	Pledged Rev Obligations	1,005	FA	PP
05/12/2011	Mesa USD No. 4	School Improv Bonds, Project of 2005	9,000	FA	Neg
05/12/2011	Continental ESD No. 39	School Improv Bonds, Project of 2010	2,000	Sole	Neg
05/11/2011	Chandler, City of	GO Refunding Bonds	10,360	Co	Neg
05/06/2011	Phoenix IDA	Education Rev Bonds	8,750	Sole	Neg
04/26/2011	Show Low, City of	Show Low Bluff CFD GO Bonds	450	PA	PP
04/07/2011	Buckeye, Town of	Special Assessment Rev Bonds	404	PA	PP
04/06/2011	Scottsdale, City of	GO Refunding Bonds	43,115	Co	Neg
04/06/2011	Scottsdale Preserve Auth	Excise Tax Rev Refunding Bonds	12,015	Lead	Neg
03/30/2011	Goodyear, City of	Subordinate Lien Water and Sewer Rev Obligations	15,480	Lead	Neg
03/30/2011	Peoria USD No. 11	School Improv Bonds	35,500	Sole	Neg
03/29/2011	Chandler USD No. 80	School Improv Bonds, Project of 2010, A-1	20,000	Sole	Neg
03/29/2011	Chandler USD No. 80	School Improv Bonds, Project of 2010, A-2 (QSCB)	25,000	Sole	Neg
03/23/2011	Marana USD	School Improv Bonds, Project of 2010	14,350	Sole	Neg
03/16/2011	Cartwright ESD No. 83	School Improv Bonds, Project of 2010	16,820	Sole	Neg
03/16/2011	Deer Valley USD No. 97	School Improv Bonds, Project of 2008	30,000	Co	Neg
03/10/2011	Saddle Mountain USD No. 90	School Improv Bonds, Project of 2009	10,000	Sole	Neg
03/09/2011	Wickenburg USD No. 9	Taxable Refunding Bonds	4,460	PA	PP
03/08/2011	Litchfield ESD No. 79	School Improv Bonds, Project of 2009	10,325	Sole	Neg
02/10/2011	Paradise Valley USD No. 69	School Improv Bonds, Project of 2005, Tax-Exempt E-1	1,600	FA	Neg
02/10/2011	Paradise Valley USD No. 69	School Improv Bonds, Project of 2005, E-2 (QSCB)	24,025	FA	Neg
02/10/2011	Washington ESD No. 6	School Improv Bonds, Proj of 2010	10,000	Sole	Comp
02/04/2011	Indian Oasis-Baboquivari USD	Partial Def Srs 2002A Impact Aid Rev Bonds	2,098	FA	PP
01/25/2011	Arizona Transportation Board	Grant Anticipation Notes	158,585	Co	Neg
01/12/2011	Metropolitan Domestic Water Improv Dist	Senior Lien Water Rev Obligations	6,630	Sole	Neg
12/23/2010	Phoenix ESD No. 1	School Improv Bonds, Project of 2010, A-1	14,800	Sole	Neg
12/23/2010	Queen Creek USD No. 95	School Improv Bonds, Project of 2010	6,000	Sole	Neg
12/22/2010	Tucson USD No. 1	Refunding Bonds	45,725	FA	Neg
12/16/2010	Prescott Valley MPC	Defeasance	3,035	FA	PA
12/15/2010	Chino Valley, Town of	Partial Def(GADA 2007A MPC 2004 Bonds)	907	FA	PP
12/15/2010	Scottsdale USD No. 48	School Improv Bonds, Project of 2010, A-2 (QSCB)	25,000	Sole	Neg
12/15/2010	Scottsdale USD No. 48	School Improv Bonds, Project of 2010, A-3 (BAB)	24,000	Sole	Neg
12/15/2010	Scottsdale USD No. 48	School Improv Bonds, Project of 2010, Tax-Exempt A-1	10,000	Sole	Neg
12/15/2010	Chino Valley, Town of	Pledged Rev Obligations	745	Sole	Neg
12/15/2010	Chino Valley, Town of	Pledged Rev Refunding Obligations	7,280	Sole	Neg
11/30/2010	Buckeye, Town of	Excise Tax Rev Refunding Obligations	1,795	Sole	Neg
11/30/2010	Florence, Town of	Merrill Ranch CFD No. 2 District GO Bonds	3,560	Sole	Neg
11/23/2010	Sunnyside USD No. 12	Refunding Bonds	1,975	Sole	Neg
11/18/2010	Yavapai County IDA	VR Dem Rev Bonds(Skanon Investments, Inc. - Drake	40,000	Sole	Neg
11/10/2010	Queen Creek USD No. 95	Refunding Bonds	3,265	Sole	Neg
10/20/2010	Scottsdale Preserve Auth	Excise Tax Rev Refunding Bonds	32,855	Co	Neg
10/19/2010	Florence, Town of	Merrill Ranch CFD No. 1 Special Assessment Rev Bonds	291	PA	PP
10/15/2010	Paradise Valley USD No. 69	Refunding Bonds	22,095	FA	PP
10/13/2010	Riverside ESD No. 2	Refunding Bonds	4,000	Sole	Neg
10/07/2010	Arizona School Facilities Board	Certificates of Participation 2010 (QSCB)	91,325	FA	Neg
10/01/2010	Gilbert USD No. 41	Taxable Refunding Bonds	9,865	FA	PP
10/01/2010	Deer Valley USD No. 97	Refunding Bonds	19,600	FA	PP
09/14/2010	Gladden Farms Community Facilities Dist	GOs Bonds (BQ)	1,000	FA	Neg
09/10/2010	Willcox, City of	WIFA Loan	1,000	FA	PP
08/25/2010	Pinal County	Pledged Rev Obligations	12,000	Sole	Neg
08/25/2010	Pinal County	Pledged Rev Refunding Obligations	18,380	Sole	Neg
08/25/2010	Riverside ESD No. 2	School Improv Bonds, Project of 2006	850	FA	PP
08/13/2010	Quartzsite, Town of	WIFA Loan (Senior Lien Clean Water Loan)	1,000	FA	PP
08/11/2010	Tolleson UHSD No. 214	School Improv Bonds, Project of 2007	6,500	Sole	Comp
08/05/2010	Three Points Fire Dist	GO Bonds, Project of 2004	2,370	Sole	Neg
08/03/2010	Roosevelt ESD No. 66	School Improv Bonds Project of 2007, B-2 (QSCB)	38,000	Sole	Neg
08/03/2010	Arizona School Facilities Board	Refunding Certificates of Participation	58,785	FA	Neg
08/03/2010	Roosevelt ESD No. 66	School Improv Bonds Project of 2007, Tax-Exempt B-1	1,000	Sole	Neg
07/29/2010	Chandler USD No. 80	Partial Defeasance of Srs 2003A and Srs 2005 Bonds	3,929	FA	PP
07/29/2010	Littleton ESD No. 65	School Improv Bonds, Project of 2009, A-1	3,000	Sole	Neg
07/29/2010	Littleton ESD No. 65	School Improv Bonds, Project of 2009, A-2 (QSCB)	4,600	Sole	Neg
07/28/2010	Arizona Water Infrastructure Finance Auth	Water Quality Rev Bonds	138,665	Co	Neg
07/28/2010	Arizona Water Infrastructure Finance Auth	Water Quality Rev Refunding Bonds	42,325	Co	Neg
07/22/2010	Oro Valley, Town of	Excise Tax Rev Obligations, (CREB)	2,445	Sole	Neg
07/16/2010	Lake Havasu City	WIFA Loan	11,400	FA	PP
07/15/2010	Somerton MPC	Arizona USDA Promissory Note	3,116	FA	PP
07/14/2010	Tucson USD No. 1	School Improv Bonds, Project of 2004, E-1	6,770	FA	Neg
07/14/2010	Tucson USD No. 1	School Improv Bonds, Project of 2004, E-2 (BAB)	67,230	FA	Neg
07/14/2010	Tucson, City of	Certificates of Participation, Taxable A (QSCB)	5,590	Co	Neg

Dated Date	Issuer Name	Issue Description	Par (\$000)	Firm Role	Sale Type
07/14/2010	Tucson, City of	Certificates of Participation, Taxable A (BAB)	\$41,430	Co	Neg
07/08/2010	Scottsdale USD No. 48	Refunding Bonds	31,000	Sole	Neg
07/01/2010	Benson, City of	Excise Tax and State Shared Rev Refunding Obligations	2,715	Sole	Neg
07/01/2010	Benson, City of	Excise Tax and State Shared Rev Obligations	2,525	Sole	Neg
06/29/2010	Tucson, City of	Senior Lien Street and Highway User Rev Refunding Bonds	10,560	Sole	Neg
06/29/2010	Tucson, City of	Water System Rev Obligations Taxable (BAB)	38,510	Co	Neg
06/29/2010	Tucson, City of	Certificates of Participation	13,370	Co	Neg
06/29/2010	Yuma Municipal Property Corp	Municipal Facilities Rev Refunding Bonds	29,530	Sole	Comp
06/24/2010	Arizona, State of	Certificates of Participation	289,705	Co	Neg
06/23/2010	Arizona Board of Regents	University of Arizona SPEED Rev Bonds (BAB)	147,475	Co	Neg
06/23/2010	Marana USD	Refunding Bonds	14,190	Sole	Neg
06/23/2010	Avondale, City of	GO Refunding Bonds	2,815	Sole	Neg
06/23/2010	Avondale, City of	\$8,625,000 Avondale, City of Water and Sewer Rev	8,625	Sole	Neg
06/10/2010	Murphy ESD No. 21	School Improv Bonds Project of 2008	3,370	Sole	Neg
06/09/2010	Buckeye UHSD No. 201	School Improv Bonds, Project of 2006, Tax-Exempt	400	Sole	Neg
06/09/2010	Buckeye UHSD No. 201	School Improv Bonds, Project of 2006, (BAB)	8,105	Sole	Neg
06/09/2010	Buckeye UHSD No. 201	Refunding Bonds, Tax-Exempt	3,780	Sole	Neg
06/08/2010	Tolleson ESD No. 17	School Improv Bonds, Project of 2006, D-1	3,725	Sole	Neg
06/08/2010	Tolleson ESD No. 17	School Improv Bonds, Project of 2006, D-2	1,875	Sole	Neg
06/04/2010	Buckeye ESD No. 33	School Improv Bonds, Project of 2008	420	FA	PP
06/04/2010	Higley USD No. 60	School Improv Bonds, (Project of 2006)	895	FA	PP
06/03/2010	Mesa, City of	Utility Systems Rev Bonds	50,380	Co	Neg
06/03/2010	Catalina Foothills USD No. 16	School Improv Bonds, Project of 2009, A-2 (BAB)	9,725	Sole	Neg
06/03/2010	Catalina Foothills USD No. 16	School Improv Bonds, Project of 2009, A-1	525	Sole	Neg
06/02/2010	Maricopa USD No. 20	School Improv Bonds, Project of 2006	3,160	Sole	Neg
05/27/2010	Avondale ESD No. 44	School Improv Bonds, Project of 2005	1,570	Sole	Neg
05/27/2010	Avondale ESD No. 44	Refunding Bonds	3,545	Sole	Neg
05/25/2010	Avondale ESD No. 44	Defeasance of Srs B (2008) Bonds	404	FA	PP
05/20/2010	Sahuarita USD No. 30	School Improv Bonds, Project of 2009, A-2 (BAB)	21,465	Sole	Neg
05/20/2010	Sahuarita USD No. 30	School Improv Bonds, Project of 2009, A-1	3,885	Sole	Neg
05/13/2010	Northwest Fire Dist	GO Bonds, Project of 2004, Tax-Exempt A-1	2,950	Sole	Neg
05/13/2010	Northwest Fire Dist	GO Bonds, Project of 2004, A-2 (BAB)	8,000	Sole	Neg
04/29/2010	Oro Valley, Town of	Defeasance, Srs 2010	7,460	FA	PP
04/28/2010	Douglas USD No. 27	School Improv Bonds, Project of 2009	7,430	Sole	Neg
04/15/2010	Riverside ESD No. 2	School Improv Bonds, Project of 2006, B-2 (BAB)	7,545	Sole	Neg
04/15/2010	Riverside ESD No. 2	School Improv Bonds, Project of 2006, B-1	2,575	Sole	Neg
03/24/2010	Tanque Verde USD No. 13	School Improv Bonds, Project of 2009, A-1	2,215	Sole	Neg
03/24/2010	Tanque Verde USD No. 13	School Improv Bonds, Project of 2009, A-2 (BAB)	11,785	Sole	Neg
03/17/2010	Vail USD No. 20	School Improv Bonds, Project of 2009, A-1	3,120	Sole	Neg
03/17/2010	Vail USD No. 20	School Improv Bonds, Project of 2009, A-2 (BAB)	6,880	Sole	Neg
03/17/2010	Vail USD No. 20	Refunding Bonds, Tax-Exempt	5,325	Sole	Neg
03/01/2010	Saddle Mountain USD No. 90	School Improv Bonds	2,000	FA	PP
02/25/2010	Queen Creek USD No. 95	Taxable School Improv Bonds, Project of 2005, C-2 (BAB)	5,310	Sole	Neg
02/25/2010	Queen Creek USD No. 95	School Improv Bonds, Project of 2005, C-1	3,425	Sole	Neg
02/25/2010	Beaver Creek ESD No. 26	School Improv Bonds Project of 2009	3,255	Sole	Neg
02/10/2010	Deer Valley USD No. 97	School Improv Bonds Project of 2008, A-1	9,250	Co	Neg
02/10/2010	Deer Valley USD No. 97	School Improv Bonds Project of 2008, A-2 (BAB)	20,750	Co	Neg
01/28/2010	Liberty ESD No. 25	School Improv Bonds Project of 2004	3,390	Sole	Neg
01/26/2010	Arizona, State of	Certificates of Participation	709,090	Co	Neg
01/26/2010	Goodyear, City of	Subordinate Lien Water and Sewer Rev Obligations	14,950	Sole	Neg
12/30/2009	Buckeye, Town of	Festival Ranch CFD Taxable District GO Bonds, 2009B	2,165	Sole	Neg
12/30/2009	Metropolitan Domestic Water Improv Dist	Water Rev Refunding Bonds (Senior Lien)	15,910	Sole	Neg
12/30/2009	Buckeye, Town of	Festival Ranch CFD District GO Bonds	5,435	Sole	Neg
12/29/2009	Metropolitan Domestic Water Improv Dist	WIFA Loan, Refunding	13,900	FA	PP
12/29/2009	Casa Grande ESD No. 4	School Improv Bonds, Project of 2005	1,025	Sole	Neg
12/29/2009	Casa Grande ESD No. 4	Refunding Bonds	5,470	Sole	Neg
12/29/2009	Metropolitan Domestic Water Improv Dist	WIFA Loan	3,950	FA	PP
12/22/2009	Payson, Town of	GO Bonds, Project of 2003	1,525	FA	Comp
12/22/2009	Glendale, City of	General Obligation Bonds, Series B	41,650	Co	Comp
12/17/2009	Arizona Board of Regents	NAU System Rev Bonds Taxable (BAB)	108,860	Co	Neg
12/17/2009	Arizona Board of Regents	NAU System Rev Bonds Tax-Exempt	5,640	Co	Neg
12/14/2009	Agua Fria UHSD No. 216	Refunding Bonds	6,695	Sole	Neg
12/14/2009	Agua Fria UHSD No. 216	School Improv Bonds, Project of 2005	1,620	Sole	Neg
12/10/2009	Buckeye, Town of	Jackrabbit Trail Sanitary Sewer Improv District Improvs	2,545	Sole	Neg
12/04/2009	Florence, Town of	WIFA Loan	1,300	FA	PP
12/04/2009	Sahuarita USD No. 30	School Improv Bonds, Project of 2007, (QSCB)	5,700	PA	PP
12/01/2009	Wilson ESD No. 7	School Improv Bonds, Project of 2005	2,930	Sole	Neg
11/20/2009	Somerton, City of	Somerton, City of Wastewater Rev Obligation Bonds	2,274	FA	PP
11/19/2009	Buckeye, Town of	Festival Ranch CFD Special Assess District No. 6 Special	356	PA	PP
11/04/2009	Tucson, City of	Certificates of Participation (City of Tucson Conven Center	12,560	Co	Neg
11/01/2009	Yavapai, County of	Poquito Valley Road Improv District Improv Bonds	1,857	Sole	Comp
10/30/2009	Lake Havasu City	Senior Lien Wastewater Rev Bonds (WIFA)	87,735	FA	PP
10/23/2009	Oro Valley, Town of	WIFA Loan	3,403	FA	PP

Dated Date	Issuer Name	Issue Description	Par (\$000)	Firm Role	Sale Type
10/22/2009	Gila County	Pledged Rev Obligations	\$6,860	Sole	Neg
10/22/2009	Gila County	Pledged Rev Refunding Obligations	1,140	Sole	Neg
10/15/2009	Maricopa USD No. 20	School Improv Bonds, Project of 2006	3,865	Sole	Neg
09/30/2009	Nogales Municipal Development Auth	Municipal Facilities Rev Bonds	15,135	Sole	Neg
09/30/2009	Pine-Strawberry Water Improv Dist	Utility Acquisition Notes	3,600	FA	PP
09/03/2009	Tolleson ESD No. 17	School Improv Bonds, Project of 2006	4,000	Sole	Neg
08/14/2009	Tolleson, City of	WIFA Loan	6,000	FA	PP
08/14/2009	Tolleson, City of	WIFA Loan	5,600	FA	PP
08/12/2009	Amphitheater USD No. 10	School Improv Bonds, Project of 2007	29,000	Sole	Neg
07/30/2009	Tolleson, City of	Tolleson, City of GO Bonds	3,590	FA	Comp
07/29/2009	Arizona Water Infrastructure Finance Auth	Water Quality Rev Bonds	148,785	Co	Neg
07/29/2009	Arizona Water Infrastructure Finance Auth	Water Quality Rev Refunding Bonds	39,655	Co	Neg
07/24/2009	Camp Verde Sanitary Dist	Water Infrastructure Finance Authority Refinance of Lease	1,902	FA	PP
07/21/2009	Avondale, City of	Taxable GO Bonds (Projects of 1998 and 2007) (BAB)	29,800	FA	Comp
06/30/2009	Regional Public Transportation Auth	Transportation Excise Tax Rev Bonds Tax-Exempt	73,795	Co	Neg
06/30/2009	Regional Public Transportation Auth	Transportation Excise Tax Rev Bonds, (BAB)	26,280	Co	Neg
06/29/2009	Sedona-Oak Creek Joint USD No. 9	School Improv Bonds, Project of 2007, C-2 (BAB)	17,835	Sole	Neg
06/29/2009	Buckeye UHSD No. 201	School Improv Bonds, Project of 2006	9,400	Sole	Neg
06/29/2009	Sedona-Oak Creek Joint USD No. 9	School Improv Bonds, Project of 2007, C-1	5,565	Sole	Neg
06/26/2009	Avondale ESD No. 44	School Improv Bonds, Project of 2005	7,790	Sole	Neg
06/25/2009	Tucson, City of	Water System Rev Obligations	38,450	Co	Neg
06/25/2009	Goodyear, City of	Water and Sewer Rev Refunding Bonds	325	Sole	Neg
06/23/2009	Arizona Transportation Board	Transportation Excise Tax Rev Bonds	440,000	Co	Neg
06/23/2009	Dysart USD No. 89	School Improv Bonds, Project of 2006	6,340	Sole	Neg
06/23/2009	J.O. Combs USD	School Improv Bonds, Project of 2006	1,350	Sole	Neg
06/22/2009	Dysart USD No. 89	GO Bond Defeasance	2,680	FA	PP
06/17/2009	Deer Valley USD No. 97	School Improv Bonds Project of 2004, (BAB)	17,000	Co	Neg
06/11/2009	Tempe, City of	General Obligation Bonds	56,055	Co	Comp
06/02/2009	Phoenix Civic Improv Corp	Junior Lien Water System Rev Bonds	450,000	Co	Neg
06/02/2009	Phoenix Civic Improv Corp	Junior Lien Water System Rev Refunding Bonds	90,295	Co	Neg
06/02/2009	Grand Canyon USD No. 4	Judgment Bonds	955	FA	PP
06/01/2009	Florence USD No. 1	School Improv Bonds, Project of 2006	6,000	Sole	Neg
06/01/2009	Higley USD No. 60	School Improv Bonds, Project of 2006	4,500	Sole	Neg
06/01/2009	Buckeye ESD No. 33	School Improv Bonds, Project of 2008	3,500	Sole	Neg
05/28/2009	Tucson, City of	Refunding Certificates of Participation	21,275	Co	Neg
05/28/2009	Goodyear, City of	GO Refunding Bonds	5,580	Sole	Neg
05/28/2009	Tucson, City of	Certificates of Participation	29,730	Co	Neg
05/28/2009	Tucson, City of	Sr Lien Street and Highway User Rev Refunding Bonds	10,130	Co	Neg
05/27/2009	Mesa, City of	Utility Systems Rev Bonds	59,900	Co	Comp
05/14/2009	Arizona Board of Regents	UofA System Rev Bonds	202,370	Co	Neg
05/13/2009	Paradise Valley USD No. 69	School Improv Bonds, Project of 2005	15,000	FA	Neg
05/06/2009	Phoenix UHSD No. 210	Refunding Bonds	26,085	FA	Neg
05/01/2009	Round Valley USD No. 10	School Improv Bonds, Project of 2007	5,000	Sole	Neg
05/01/2009	Fountain Hills USD No. 98	School Improv Bonds, Project of 2007	4,000	Sole	Neg
04/24/2009	Cave Creek, Town of	WIFA Loan	20,917	FA	PP
04/22/2009	Tolleson Municipal Facilities Corp	Public Safety and Excise Tax Rev Bonds	9,100	Sole	Neg
04/22/2009	Pima County	GO Bonds	75,000	Co	Comp
04/21/2009	Mesa USD No. 4	School Improv Bonds, Project of 2005	50,000	FA	Neg
04/15/2009	Tubac Fire Dist	GO Bonds, Project of 2008	6,795	Sole	Neg
04/08/2009	Snowflake USD No. 5	School Improv Bonds, Project of 2008	3,900	Sole	Neg
04/01/2009	Maricopa County Community College Distrci	GO Bonds, Project of 2004	220,000	Co	Comp
03/18/2009	Vail USD No. 20	School Improv Bonds, Project of 2005	7,135	Sole	Neg
03/11/2009	Gilbert USD No. 41	School Improv Bonds, Project of 2007	10,000	FA	Neg
03/06/2009	Kingman, City of	WIFA Loan	35,000	FA	PP
03/01/2009	Coolidge USD No. 21	School Improv Bonds, Project of 2008	16,095	Sole	Neg
02/18/2009	Litchfield ESD No. 79	School Improv Bonds Project of 2006	10,500	Sole	Neg
02/18/2009	Greater Arizona Development Auth	Infrastructure Rev Bonds Taxable	10,725	Sole	Neg
02/18/2009	Greater Arizona Development Auth	Infrastructure Rev Bonds Tax-Exempt	16,000	Sole	Neg
02/17/2009	Winslow USD No. 1	Impact Aid Rev Bonds,	2,860	Sole	Neg
02/11/2009	Tolleson UHSD No. 214	School Improv Bonds	17,900	Co	Comp
02/04/2009	Chandler, City of	Excise Tax Rev Obligations	34,040	Co	Comp
02/01/2009	Sedona-Oak Creek Joint USD No. 9	School Improv Bonds, Project of 2007	25,000	Sole	Neg
02/01/2009	Phoenix ESD No. 1	School Improv Bonds, Project of 2006	19,125	Sole	Neg
02/01/2009	Murphy ESD No. 21	School Improv Bonds, Project of 2008	4,000	Sole	Neg
02/01/2009	Heber-Overgaard USD No. 6	School Improv Bonds, Project of 2008	10,215	Sole	Neg
01/30/2009	Camp Verde Sanitary Dist	WIFA Loan	5,600	FA	PP
12/30/2008	Tucson, City of	Rio Nuevo Multipurpose Fac Dist Sub Lien Excise Tax Rev	80,000	Co	Neg
11/25/2008	Arizona School Facilities Board	Certificates of Participation	580,035	FA	Neg
11/20/2008	Pinetop Fire Dist	Certificates of Participation	5,280	Sole	Neg
11/19/2008	Show Low, City of	Show Low Bluff CFD GO Bonds	395	Sole	Neg
11/18/2008	Phoenix Civic Improv Corp	Senior Lien Wastewater System Rev Refunding Bonds	133,400	Co	Comp
11/06/2008	Osborn ESD No. 8	School Improv Bonds, Project of 2006	10,700	Sole	Neg
11/01/2008	Kingman, City of	Kingman Airport Tract/Banks Airport Add Improv District	3,880	Sole	Neg

Dated Date	Issuer Name	Issue Description	Par (\$000)	Firm Role	Sale Type
10/07/2008	Lake Havasu City	WIFA Loan(Jr Lien GO/Wastewater Rev Bond)	\$45,585	FA	PP
10/01/2008	Dysart USD No. 89	School Improv Bonds, Project of 2006	33,500	Sole	Neg
09/25/2008	Arizona Transportation Board	Highway Rev Bonds	181,050	Co	Neg
09/25/2008	Central Yavapai Fire Dist	GO Bonds, Project of 2004	6,005	Sole	Neg
09/25/2008	Surprise, City of	Marley Park CFD GO Bonds	3,395	Co	Neg
09/09/2008	Tolleson ESD No. 17	School Improv Bonds, Project of 2006	5,045	Sole	Neg
09/04/2008	Vail USD No. 20	School Improv Bonds, Project of 2005	9,835	Sole	Neg
09/04/2008	Avondale Municipal Development Corp	Excise Tax Rev Bonds	15,000	Sole	Neg
09/01/2008	Higley USD No. 60	School Improv Bonds, Project of 2006	15,315	Sole	Neg
09/01/2008	Florence USD No. 1	School Improv Bonds, Project of 2006	21,300	Sole	Neg
09/01/2008	Maricopa USD No. 20	School Improv Bonds, Project of 2006	14,500	Sole	Neg
08/28/2008	J.O. Combs USD	School Improv Bonds, Project of 2006	7,530	Sole	Neg
08/28/2008	Florence, Town of	Merrill Ranch CFD No. 1 GO Bonds	4,390	Sole	Neg
08/27/2008	Chandler USD No. 80	School Improv Bonds	58,700	Sole	Neg
08/27/2008	Buckeye UHSD No. 201	School Improv Bonds, Project of 2006	22,855	Sole	Neg
08/20/2008	Greater Arizona Development Auth	Infrastructure Rev Bonds (Santa Cruz County Jail District	44,590	Co	Neg
08/14/2008	Arizona Board of Regents	NAU System Rev Bonds	43,130	Co	Neg
08/13/2008	Marana MPC	Municipal Facilities Rev Bonds	31,090	Sole	Neg
08/13/2008	Marana MPC	Municipal Facilities Rev Bonds	8,700	Sole	Neg
08/01/2008	Payson USD No. 10	School Improv Bonds, Project of 2006	13,845	Sole	Neg
08/01/2008	Buckeye ESD No. 33	School Improv Bonds, Project of 2005	7,405	Sole	Neg
08/01/2008	Casa Grande UHSD No. 82	School Improv Bonds, Project of 2006	17,845	Sole	Neg
08/01/2008	Crane ESD No. 13	School Improv Bonds, Project of 2005	1,065	Sole	Neg
08/01/2008	Eloy, City of	WIFA Loan	6,988	FA	PP
07/31/2008	Tucson USD No. 1	School Improv Bonds, Project of 2004	57,000	FA	Neg
07/10/2008	Phoenix Industrial Development Auth	VR Demand Rev Bonds (Southwestern College of Phoenix,	10,000	Sole	Neg
06/26/2008	Mesa USD No. 4	Refunding Bonds	20,510	FA	Neg
06/26/2008	Roosevelt ESD No. 66	School Improv Bonds, Project of 2007	20,000	Sole	Neg
06/26/2008	Deer Valley USD No. 97	School Improv Bonds, Project of 2004	21,000	Co	Neg
06/25/2008	Sierra Vista MPC	Municipal Facilities Rev Bonds	22,500	Co	Comp
06/18/2008	Littleton ESD No. 65	School Improv Bonds, Project of 2006	7,830	Sole	Neg
06/01/2008	Tempe, City of	General Obligation Bonds	66,365	Co	Comp
06/01/2008	Peoria USD No. 11	School Improv Bonds	13,500	Sole	Neg
05/21/2008	Safford, City of	WIFA Loan (Drinking Water)	7,160	FA	PP
05/21/2008	Safford, City of	WIFA Loan (Clean Water)	3,195	FA	PP
05/16/2008	Kingman, City of	WIFA Loan	4,200	FA	PP
05/07/2008	Agua Fria UHSD No. 216	School Improv Bonds, Project of 2005	7,230	FA	PP
05/01/2008	Benson USD No. 9	School Improv Bonds, Project of 2007	6,365	Sole	Neg
05/01/2008	Murphy ESD No. 21	School Improv Bonds, Project of 2005	2,000	Sole	Neg
05/01/2008	Amphitheater USD No. 10	School Improv Bonds, Project of 2007	20,000	Sole	Neg
04/30/2008	Arizona Water Infrastructure Finance Auth	Water Quality Rev Bonds	238,710	Co	Neg
04/30/2008	Arizona, State of	Certificates of Participation	238,990	Co	Neg
04/25/2008	Eagar, Town of	WIFA Loan (Drinking Water)	929	FA	PP
04/25/2008	Eagar, Town of	WIFA Loan (Clean Water)	1,967	FA	PP
04/23/2008	Santa Cruz Valley USD No. 35	School Improv Bonds, Project of 2006	4,250	Sole	Neg
04/22/2008	Greater Arizona Development Auth	Infrastructure Rev Bonds	27,760	Lead	Neg
04/16/2008	Mesa USD No. 4	School Improv Bonds, Project of 2005	50,000	FA	Neg
04/16/2008	Chino Valley MPC, Town of	United States Department of Agriculture Loan	1,332	FA	PP
04/15/2008	Prescott Valley, Town of	Southside CFD No. 1 Special Assessment Rev Bonds	3,025	Sole	Neg
04/10/2008	Chino Valley MPC, Town of	United States Department of Agriculture Loan	1,505	FA	PP
04/10/2008	Chino Valley MPC, Town of	United States Department of Agriculture Loan	1,505	FA	PP
04/09/2008	Goodyear, City of	Centerra CFD District GO Bonds	965	Sole	Neg
04/02/2008	Tempe UHSD No. 213	Refunding Bonds	35,765	Co	Comp
04/01/2008	Humboldt USD No. 22	School Improv Bonds, Project of 2006	26,000	Sole	Neg
04/01/2008	Prescott Valley MPC	Senior Lien Water System Rev Refunding Bonds	16,620	Sole	Neg
03/12/2008	Peoria Municipal Dev Auth	Transport & Excise Tax Rev Bonds	47,000	Co	Comp
03/01/2008	Queen Creek USD No. 95	School Improv Bonds Projects of 2002 and 2005	14,580	Sole	Neg
03/01/2008	Antelope UHSD No. 50	School Improv Bonds, Project of 2007	2,350	Sole	Neg
03/01/2008	Fountain Hills USD No. 98	School Improv Bonds, Project of 2007	8,000	Sole	Neg
03/01/2008	Sedona-Oak Creek Joint USD No. 9	School Improv Bonds, Project of 2007	25,000	Sole	Neg
02/28/2008	Pima County	Street & Highway Revenue Bonds	25,000	Co	Comp
02/28/2008	Sahuarita USD No. 30	School Improv Bonds, Project of 2007	9,000	Sole	Neg
02/27/2008	Window Rock USD No. 8	School Improv Bonds, Project of 2004	3,245	Sole	Neg
02/12/2008	Gilbert USD No. 41	School Improv Bonds, Projects of 2005 and 2007	70,000	FA	Neg
02/01/2008	Avondale ESD No. 44	School Improv Bonds, Project of 2005	6,500	Sole	Neg
02/01/2008	Round Valley USD No. 10	School Improv Bonds, Project of 2007	5,000	Sole	Neg
02/01/2008	Joseph City USD No. 2	School Improv Bonds	5,200	Sole	Neg
01/30/2008	Rincon Valley Fire Dist	GO Bonds, Project of 2007	5,065	Sole	Neg
01/11/2008	Chino Valley, Town of	WIFA Loan	4,853	FA	PP
01/01/2008	Pima USD No. 6	School Improv Bonds	1,170	Sole	Neg
TOTAL:		435	\$12,773,983		