

AGFS MUNICIPAL SECURITIES ISSUER FINANCIAL ADVISORY SERVICES

American Governmental Financial Services Company (AGFS) is a private independent financial advisory firm located in Sacramento, California, providing municipal bond and other municipal finance advisory services to state and local governments. AGFS is an effective and experienced financial service provider to governments located in Central and Northern California, as well as nationally.

AGFS functions as an extension of your staff, and can become a virtual in-house business and finance advisor. AGFS is paid on an hourly noncontingent basis. In special circumstances, a fixed noncontingent fee may be negotiated. AGFS cautions that a contingent fee structure inevitably may be perceived by citizens and others as creating a conflict of interest and detracting from the independence of AGFS' advice.

AGFS does not attempt to substitute its judgment for that of your Board or Council members or key personnel. Since AGFS is not a municipal bond or other municipal securities underwriter or broker-dealer paid on a contingent basis, it does not attempt to "sell" you on issuing municipal bonds or on the conduct of other municipal securities transactions. Rather, it is AGFS' goal to present you with relevant considerations to take into account in planning and in the decision-making process.

AGFS offers to its clients the opportunity to choose among and negotiate a contract providing for the following services, among others, if contracted and requested:

Financial Planning & Management Services

AGFS offers the following financial planning and municipal securities and other debt management services:

- Assist in the development of capital budgets and long-term financial strategies.
- Investigate, analyze and formulate financing alternatives, programs and strategies considering your objectives, existing debt structure, fund balances and rate structures.
- Prepare financing plans and other preliminary reports, analyses and plans leading, if you so decide, to eventual municipal securities financing activities.
- Assist in the development of policy options for your application in financial planning and municipal bond and other municipal securities financing situations.
- Evaluate your options for pay-as-you-go and project phasing plans, and various other potential financing strategies in your specific circumstances, including federal and state grants and loans, local bank and other direct loans, private placements through

placement agents, limited offerings, and public finance approaches in the municipal securities market.

- Provide assistance with preparation and filing of applications for federal and state grants and low interest loans and throughout the application process.
- Monitor your outstanding municipal bonds and other municipal securities issues for refunding opportunities, using sophisticated financial modeling software.
- Advise you as to, or prepare through subcontracting arrangements, rate studies for enterprise activities and funds, such as water and wastewater systems.
- Prepare, through subcontracting arrangements, assessment district benefit analyses and Mello-Roos tax formulae and related reports.
- Prepare, through subcontracting arrangements, development impact studies.
- Prepare, through subcontracting arrangements, AB 1600 plans and other plans and studies under state law.

Municipal Securities Financing Services

AGFS offers the following public finance services in connection with your municipal bonds or other municipal securities capital financings:

- Meet with your Board or Council, professional staff, officials and, as desired, citizens or citizens committees to assist in planning and development of information for analysis at an early stage.
- Assemble, review and analyze information regarding your financial status, debt structure, economic base and related matters pertaining to municipal securities financing and project requirements.
- Advise you on municipal securities market information and conditions, taxable and tax-exempt bond interest rates and trends, and financing terms, including maturity and amortization schedules, redemption provisions, additional debt provisions, rate covenants, other covenants and credit enhancement, if appropriate.
- Present you with economic modeling, sensitivity analyses and general information relevant to your structuring and municipal securities financing alternatives, discussing positive and negative considerations, so that you have useful information available for your decisions.
- Present a Project Financing Plan covering municipal securities structure and marketing strategy, outlining alternative financing and nonfinancing approaches and discussing

advantages and disadvantages. If it is desired, the Plan will take the form of a comprehensive written report.

- Assist you in assembling a professional Financing Team. AGFS can write effective requests for proposals from municipal securities underwriters, bond counsel, disclosure counsel, trustees, printers and others and identify qualified professionals available in the market.
- If a negotiated bid is to be used, identify and assist in your selection of competent municipal securities underwriters or placement agents to sell your issues, distinguishing among investment banking firms in terms of the areas in which they are best able to function, such as institutional vs. retail sales distribution, variable rate or fixed rate structures, and short-term, intermediate-term, and long-term maturities.
- Assist you in negotiations with municipal securities underwriters, bond counsel, engineers, feasibility consultants, trustees, developers, and other third parties.
- Work with your bond counsel in connection with bond counsel's determination of whether tax-exempt bonds or taxable bonds are appropriate for you.
- Advise you as to overall structure of each municipal securities financing issue, including size and timing, maturity schedules, call provisions and other matters.
- Coordinate efforts of your Financing Team, including scheduling of significant events and working with the Team to achieve successful completion of your municipal bonds or other municipal securities issue.
- Work with your bond counsel and municipal securities underwriters from a financial perspective in the structuring of your financing documentation.
- Structure your municipal bonds or other municipal securities issues, using state-of-the-art financial modeling software programs, consistent with goals and objectives established by you.
- Assist in the preparation of your Preliminary Official Statements, Final Official Statements and continuing disclosure documents, using information provided by you or third parties, so as to achieve an acceptable municipal securities market reception, while making appropriate municipal disclosure as approved by you. Under stated SEC positions, this does not, however, obviate the importance of careful internal due diligence and review by your officers and staff.
- Negotiate and control issuance costs.

- Advise you as to relevant criteria applied by major municipal securities rating agencies, develop your written and digital presentations for rating agencies, and prepare your staff and officials in advance of rating sessions.
- Assist you in decisions as to whether municipal bond insurance, letters of credit or other credit mechanisms are efficient under prevailing market conditions, and if so, in making presentations to and developing information for credit enhancers.
- Assist you in conducting competitive bidding procedures for the sale of your municipal bonds or other municipal securities or, if a negotiated sale is to be used, monitor the pricing activities of the underwriters. In a competitive bid, the potential services may include representation at the bid opening and analysis of the competing bids. In a negotiated sale, the services may include negotiation of terms of the Purchase Contract with the underwriters.
- Work with bond counsel in the preclosing and closing of the sale of your municipal securities and the delivery of funds to you.
- Assist in the preparation and filing of your continuing disclosure reports and notices to the municipal securities market using information you provide.

Municipal Securities Pricing Advisory Services

AGFS offers the following pricing advisory services regarding your municipal bonds or other municipal securities issues:

- Provide advice on municipal securities market competitiveness during bond pricing.
- Represent you in bond pricing meetings.
- Prepare a pricing booklet containing:
 - ◆ Proposed offering terms.
 - ◆ Municipal securities market taxable and tax-exempt interest rates and yields (historical and prevailing statistics and indices).
 - ◆ Recent municipal securities offerings (comparable sales).
 - ◆ Current and forward municipal bond sale calendar (competition for your municipal securities issue).
 - ◆ Marketing materials.
- Advise your Board or Council regarding awards of your municipal securities.

In the process of providing its services, AGFS can also reduce the work load of your staff. AGFS is able to perform, at a lower cost to you, much of the work often undertaken by others. In the process, you can achieve lower “all-in” costs of issuance. Mr. Doty also provides consulting services regarding municipal securities law, municipal securities disclosure, and municipal finance to lawyers across the country, including among them, municipal bond expert witness services.

CONTACT:

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