

Debt 2 Session Five

Marketing and Pricing

Municipal Debt Essentials
Accessing the Market
March 18, 2015
Riverside, CA

Presentation by:
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Jay Murphy, Managing Director



Independent Minds.
Innovative Solutions.

Review

- On Day 1 you were given a broad brush of the market that laid the foundation for a bond financing
 - You learned that the market is evolving and the legal and regulatory environment has changed significantly in the last two years
 - You learned the importance of good disclosure
- Earlier today you learned debt capacity, affordability, and structure and credit quality
 - All the parts that need to come together before you can raise capital

Now it's time to issue bonds!

What This Session Teaches

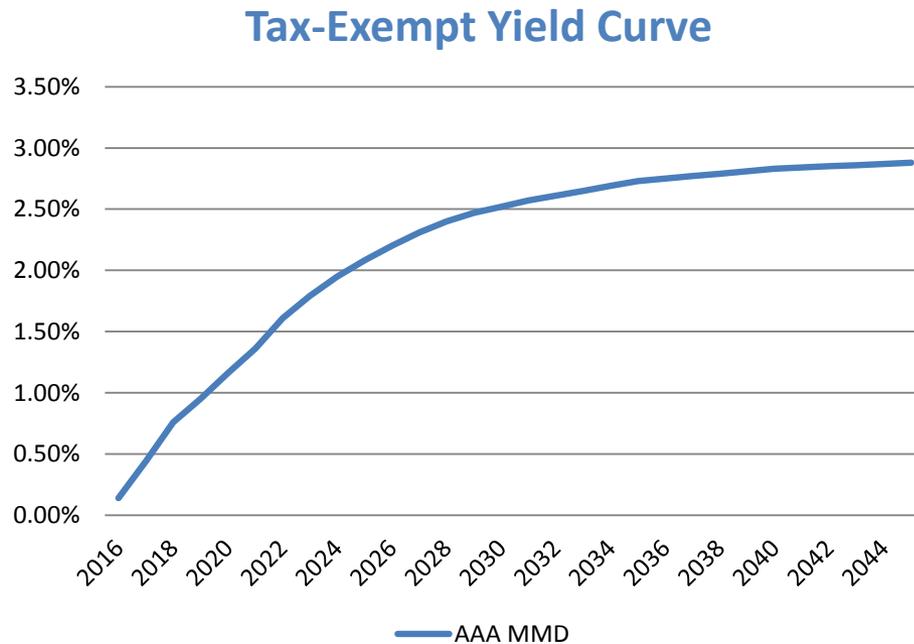
- In this session you will learn the basic concepts and processes associated with selling bonds in the primary market
- This session can be grouped into three broad categories
 1. Interest Rates
 2. How the Market Determines the Prices for Bonds
 3. Bond Sale Methods, Processes and Investors

Interest Rates

- We are going to discuss fixed rate, current interest bonds
- We're going to cover the big picture items with interest rates:
 1. Yield Curve
 2. Coupons
 3. Yields
 4. Prices
- We're going to apply this information to demonstrate how a municipal bond is priced and sold in the primary market

Yield Curve

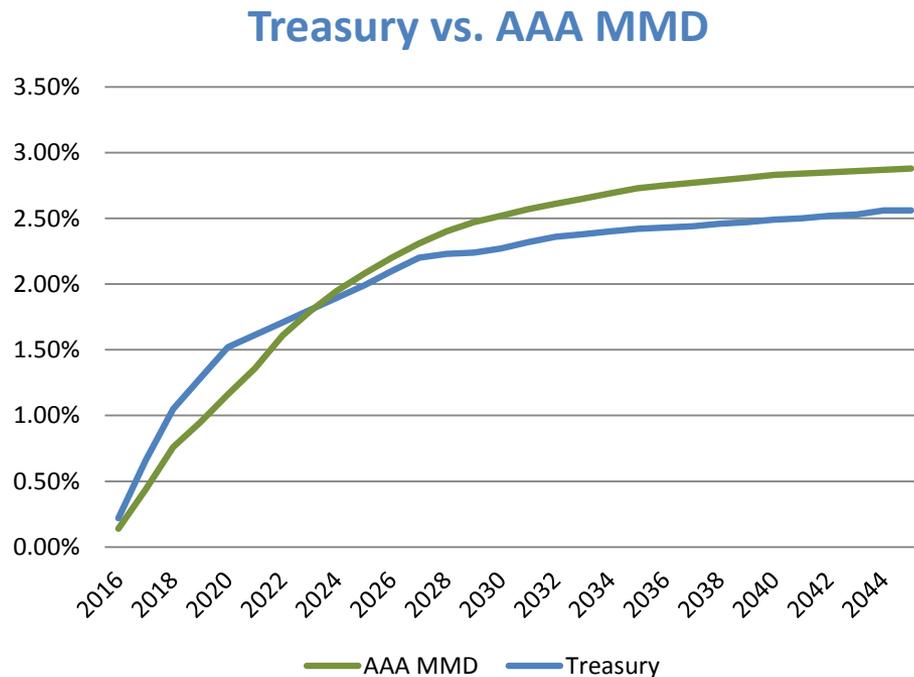
The Yield Curve shows interest rates plotted over a set timeframe – typically 30-years



- The “shape” of the yield curve tells you the market’s expectations of future conditions
- A typical yield curve is upward sloping, with lower interest rates at the beginning of the curve and higher interest rates at the end of the curve

Yield Curve

Historically, tax-exempt interest rates have moved in sympathy with Treasury rates



- The relationship of tax-exempt interest rates to Treasuries is worth noting
- Historically, tax-exempt interest rates are about 80% of comparable maturity Treasury rates
- Currently, after about the 10-year spot, municipals are attractive compared to Treasuries

Factors Influencing Yields

Multiple internal and external factors influence new issue yields

Fundamental

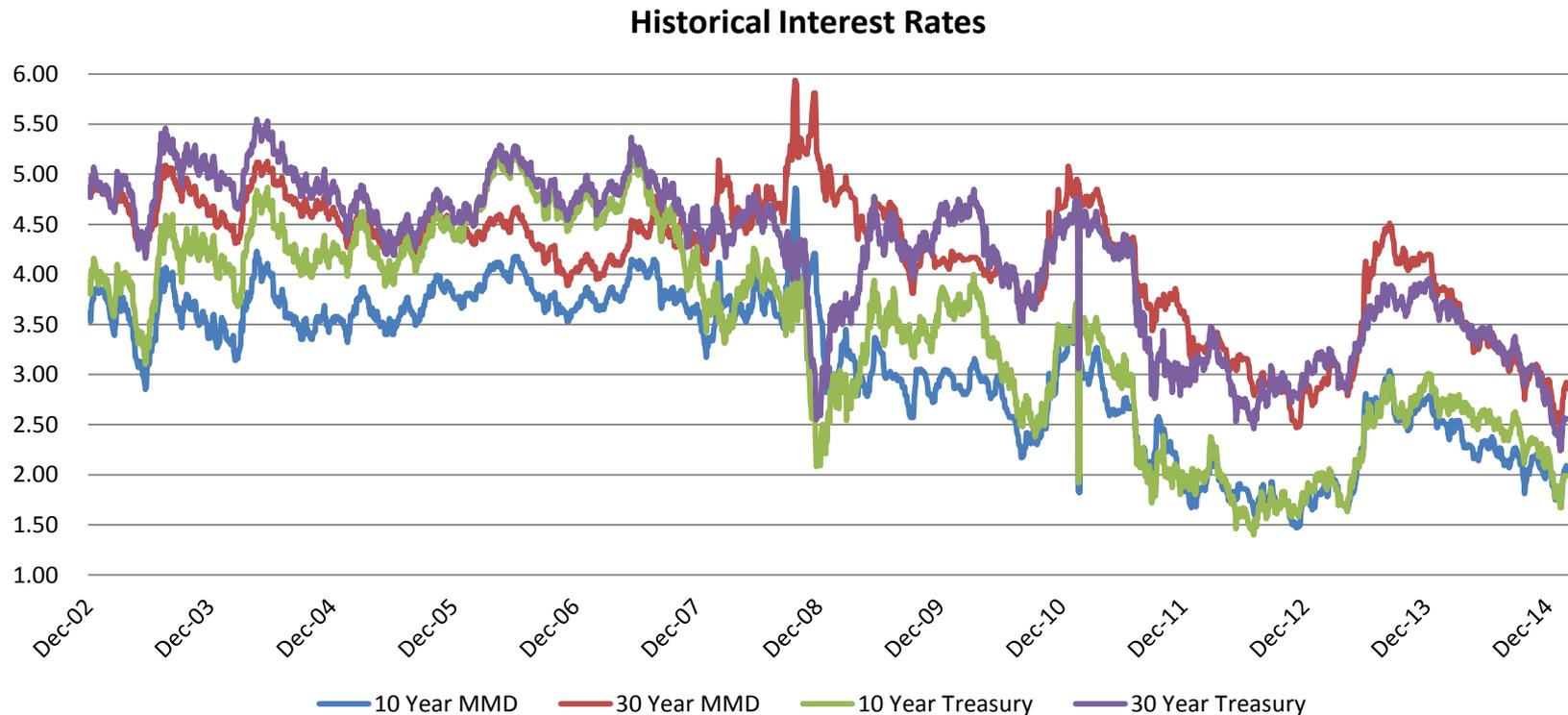
- Economics
- Inflationary Expectations
- Monetary Policy
- Global Events

Technical

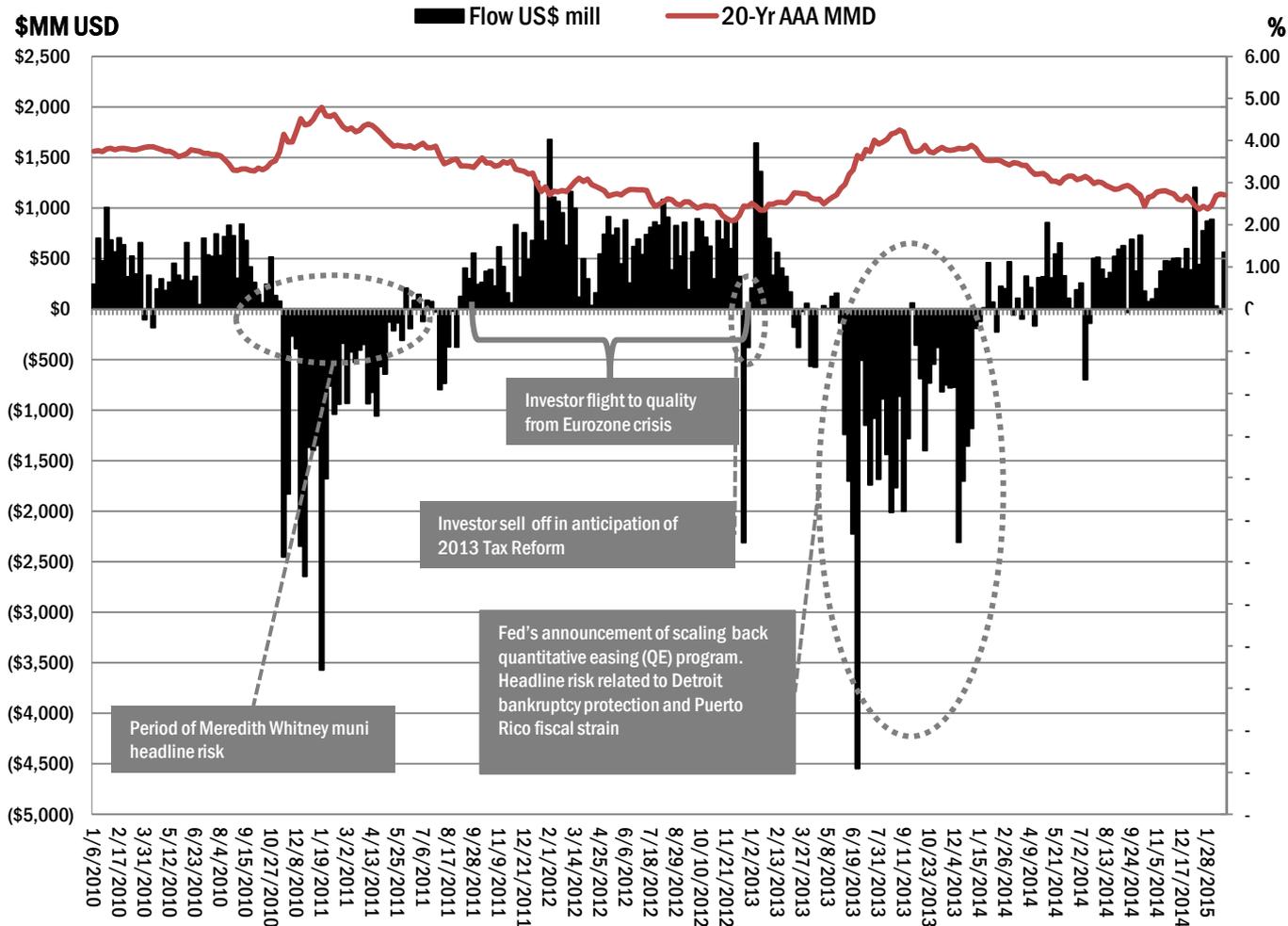
- Supply and Demand
- Sector
- Comparable Securities
- Specific Features of Financing

Historical Interest Rates

The yield curve continuously changes and impacts the optimal bond structure



Fund Flows Influence Yields



Muni Fund Reporting Date	Fund Flow (\$MM USD)	20-Yr AAA MMD
11/5/2014	\$201.70	2.78%
11/12/2014	\$375.00	2.80%
11/19/2014	\$474.76	2.81%
11/26/2014	\$472.23	2.77%
12/3/2014	\$498.61	2.73%
12/10/2014	\$502.59	2.61%
12/17/2014	\$398.49	2.58%
12/24/2014	\$595.99	2.68%
12/31/2014	\$386.62	2.58%
1/7/2015	\$1,202.25	2.46%
1/14/2015	\$440.95	2.37%
1/21/2015	\$772.99	2.44%
1/28/2015	\$870.15	2.38%
2/04/2015	\$887.23	2.47%
2/11/2015	\$27.89	2.69%
2/18/2015	-\$37.89	2.73%
2/25/2015	\$560.83	2.71%

As of the weekly reporting date of 2/25/2015
 Data Source: EPFR Global Fund Flows and Allocations Data – All Muni Funds (Retail and Institutional Funds).

Coupon, Price and Yield - Defined

- **Principal** is the corpus due each year on the loan
- **Coupon** is the interest rate the municipality pays on a particular bond with a particular maturity
- **Yield** is the annual return the investor receives on a bond
- **Price** (not shown) is the amount the investor pays to purchase the bond

MATURITY SCHEDULE

\$3,055,000 Serial Bonds

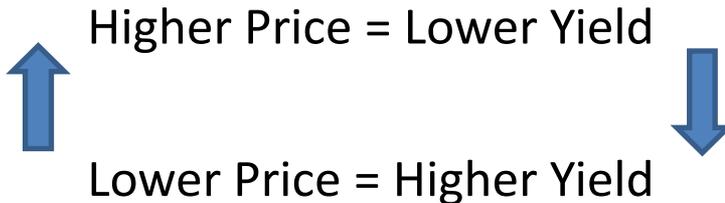
<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
2015	\$145,000	3.000%	0.250%
2016	150,000	3.000	0.450
2017	155,000	3.000	0.700
2018	160,000	3.000	0.980
2019	165,000	3.000	1.280
2020	170,000	4.000	1.580
2021	175,000	4.000	1.830
2022	185,000	4.000	2.080
2023	190,000	4.000	2.230
2024	200,000	4.000	2.380
2025	205,000	4.000	2.480 ^C
2026	215,000	4.000	2.590 ^C
2027	225,000	3.000	3.000
2028	230,000	3.000	3.044
2029	240,000	3.000	3.147
2030	245,000	3.125	3.205

\$1,065,000 3.500% Term Bonds due November 1, 2034, Yield 3.588%
 \$900,000 3.750% Term Bonds due November 1, 2037, Yield 3.783%
 \$1,010,000 4.000% Term Bonds due November 1, 2040, Yield 3.790%^C
 \$1,550,000 4.000% Term Bonds due November 1, 2044, Yield 3.850%^C

^C Priced to call at par on November 1, 2024.

Coupon, Price and Yield - Applied

Price and Yield move in opposite directions:



Examples:

Maturity	Principal	Coupon	Yield	Price
2026	\$215,000	4.000%	2.590%	113.444%
2027	\$225,000	3.000%	3.000%	100.000%
2028	\$230,000	3.000%	3.044%	99.500%

- 2026 is a **premium** bond
- 2027 is a **par** bond
- 2028 is a **discount** bond

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Coupon, Price and Yield - Impact

Examples:

Maturity	Principal	Coupon	Yield	Price	
2026	\$215,000	4.000%	2.590%	113.444%	← premium bond
2027	\$225,000	3.000%	3.000%	100.000%	← par bond
2028	\$230,000	3.000%	3.044%	99.500%	← discount bond

Price X Principal = Amount Investor Pays and Amount Municipality Receives

Examples:

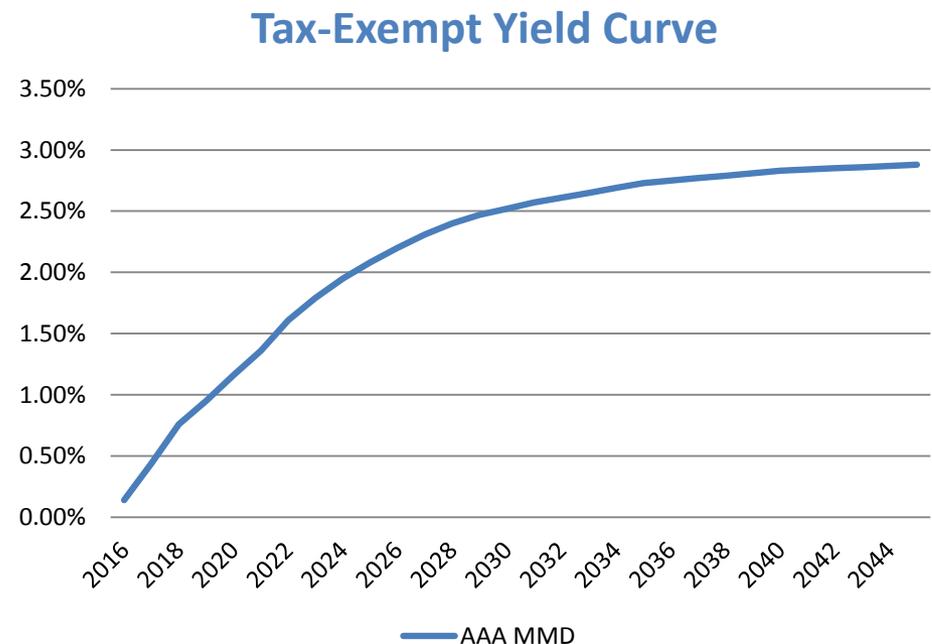
Maturity	Principal	Price	Dollar Price
2026	\$215,000	113.444%	\$243,904.60
2027	\$225,000	100.000%	\$225,000.00
2028	\$230,000	99.500%	\$228,850.00

To a large degree, investor demand will determine how a particular financing is couponed

Municipal Market Data Yield Curve

Generally, the municipal market determines yields in the primary market based on a spread to Municipal Market Data (MMD)

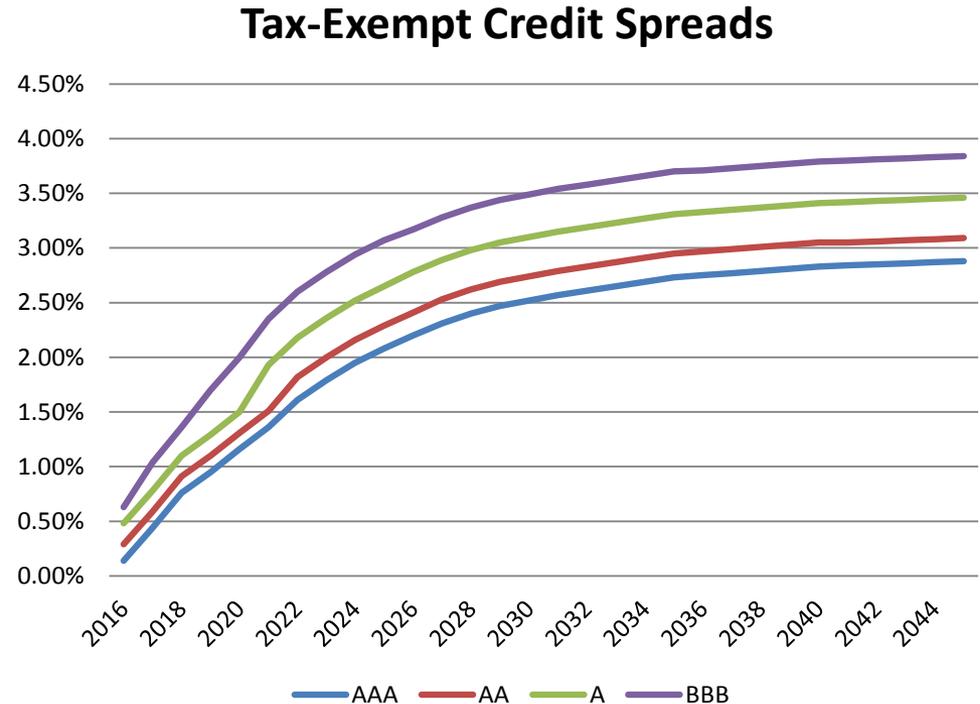
- MMD is an index of AAA rated state general obligation bonds
- It is not a single security
- It's an opinion of value on which issues can be priced and compared
- Published each afternoon
- Proprietary and subscription based



Credit Spreads Between Ratings

Credit spreads are a means of compensating investors as the level of perceived risk increases from the benchmark

- The lower the credit quality, the higher the credit spread
- Credit spreads are not constant and change over time
- Credit spreads can be different for similarly rated credits in different sectors



Credit Spreads Between Sectors

The municipal market has a variety of security structures and sectors and each prices differently

- General obligation bonds and essential service utilities have the “tightest” spreads
- Revenue bonds vary by sector based on pledged revenues
- Not-for-Profits, Health Care and Land Secured tend to have the highest spreads

	10-Year Spot for MMD		
	AA	A	BBB
General Obligation Bond	+20	+55	+80
Essential Service Utility	+35	+70	+90
Airport Revenue Bond	+50	+65	+90
Sales Tax Revenue Bond	+40	+60	+85
Tax Allocation Bond	+40	+75	+120
Certificate of Participation	+60	+75	+135
Lease Revenue Bond	+60	+75	+100
Not-for-Profit	+35	+65	+90
Health Care	+35	+75	+100

Comparables

A “comparable” is another benchmark showing interest rates and spreads to MMD of similarly rated, often similarly secured transactions that have been recently priced in the primary market

State	California				
Issuer	Torrance Unified School District				
Dated	2/26/2015				
Sale Date	2/11/2015				
Series	2015 (Measure T)				
Amount	\$164,210,000				
Tax Status	Tax Exempt				
Rating	Aa2/AA-/NR				
Sale Method	Negotiated				
Maturity date	Par Amount	Retail Coupon	Yield	Spread	
8/1/2016	2,940,000	4.0000	0.250	+11.0	
8/1/2017	2,650,000	5.0000	0.500	+9.0	
8/1/2018	3,000,000	5.0000	0.740	+7.0	
8/1/2019					
8/1/2020					
8/1/2021					
8/1/2022					
8/1/2023					
8/1/2024					
8/1/2025					
8/1/2026	1,010,000*	5.0000	2.380	+22.0	
8/1/2027	1,280,000*	5.0000	2.510	+24.0	
8/1/2028	1,675,000*	3.0000	3.130	+77.0	
8/1/2029	2,065,000*	3.0000	3.230	+81.0	
8/1/2030	2,480,000*	3.0000	3.300	+83.0	
8/1/2031	2,920,000*	4.0000	3.230	+71.0	
8/1/2032	3,420,000*	4.0000	3.310	+74.0	
8/1/2033	3,905,000*	4.0000	3.360	+75.0	
8/1/2034	4,475,000*	4.0000	3.410	+76.0	
8/1/2035	5,085,000*	4.0000	3.470	+78.0	
8/1/2036					
8/1/2037					
8/1/2038					
8/1/2039					
8/1/2040	36,095,000*	4.0000	3.650	+85.0	

State	California				
Issuer	Yucaipa Valley Wtr Dist				
Dated	2/26/2015				
Sale Date	2/12/2015				
Series	2015				
Amount	\$30,810,000				
Tax Status	Tax Exempt				
Rating	NR/A+/AA-				
Sale Method	Negotiated				
Maturity date	Par Amount	Retail Coupon	Yield	Spread	
9/1/2015	980,000	3.0000	0.250	+15.0	
9/1/2016	1,030,000	3.0000	0.370	+23.0	
9/1/2017	1,065,000	4.0000	0.670	+24.0	
9/1/2018	1,115,000	5.0000	1.000	+29.0	
9/1/2019	1,170,000	5.0000	1.240	+33.0	
9/1/2020	1,230,000	5.0000	1.480	+37.0	
9/1/2021	1,290,000	4.0000	1.740	+42.0	
9/1/2022	1,335,000	3.0000	2.040	+47.0	
9/1/2023	1,390,000	5.0000	2.240	+49.0	
9/1/2024	1,455,000	5.0000	2.400	+49.0	
9/1/2025	1,535,000	5.0000	2.560	+52.0	
9/1/2026	1,610,000*	5.0000	2.730	+57.0	
9/1/2027	1,695,000*	5.0000	2.840	+57.0	
9/1/2028	1,765,000*	3.0000	3.230	+87.0	
9/1/2029	1,825,000*	4.0000	3.200	+78.0	
9/1/2030	1,895,000*	3.2500	3.420	+95.0	
9/1/2031	1,975,000*	5.0000	3.070	+55.0	
9/1/2032	2,065,000*	4.0000	3.470	+90.0	
9/1/2033	2,145,000*	3.5000	3.640	+103.0	
9/1/2034	2,240,000*	5.0000	3.200	+55.0	

State	California				
Issuer	West Valley Mission				
Dated	2/25/2015				
Sale Date	2/11/2015				
Series	2015B				
Amount	\$178,100,000				
Tax Status	Tax Exempt				
Rating	Aaa/AAA/NR				
Sale Method	Negotiated				
Maturity date	Par Amount	Retail Coupon	Yield	Spread	
8/1/2016	6,500,000	3.0000	0.300	+16.0	
8/1/2017	7,000,000	3.0000	0.460	+5.0	
8/1/2018	3,000,000	3.0000	0.660	-1.0	
8/1/2020	330,000	3.0000	1.090	+1.0	
8/1/2021	665,000	4.0000	1.330	+3.0	
8/1/2022	1,025,000	4.0000	1.590	+4.0	
8/1/2023	1,410,000	4.0000	1.790	+4.0	
8/1/2024	1,820,000	4.0000	1.940	+3.0	
8/1/2025	2,265,000	5.0000	2.060	+2.0	
8/1/2026	2,760,000*	5.0000	2.240	+8.0	
8/1/2027	3,290,000*	5.0000	2.390	+12.0	
8/1/2028	3,860,000*	5.0000	2.500	+14.0	
8/1/2029	4,480,000*	5.0000	2.570	+15.0	
8/1/2030	5,140,000*	5.0000	2.620	+15.0	
8/1/2031	5,850,000*	5.0000	2.670	+15.0	
8/1/2032	6,615,000*	4.0000	3.100	+53.0	
8/1/2033	7,365,000*	4.0000	3.140	+53.0	
8/1/2034	8,160,000*	4.0000	3.180	+53.0	
8/1/2035	9,005,000*	4.0000	3.220	+53.0	
8/1/2040	69,460,000*	4.0000	3.380	+58.0	

Pricing a Bond Issue

Recap of things covered so far...

- We covered interest rates and yield curve
- We covered coupon, price and yield
- We covered credit spreads

Now it's time to sell bonds... But how should we sell our bonds?

Investors and Investor Classes

Maturity	Par	Coupon	Yield	Tier	Types of Investors	Attributes
5/1/2016	1,525	4.000%	0.650%	Tier III	<ul style="list-style-type: none"> • Small Bank Trust Depts. • High Net Worth • Directed Accounts • SMAs • Smaller Corporations 	<ul style="list-style-type: none"> • Buy Small Blocks • Least Sophisticated • Buy and Hold • Quality and Name Driven
5/1/2017	1,790	4.000%	0.950%			
5/1/2018	1,880	4.000%	1.200%			
5/1/2019	1,975	4.000%	1.420%			
5/1/2020	2,075	4.000%	1.630%			
5/1/2021	2,180	4.000%	1.870%			
5/1/2022	2,285	5.000%	2.100%	Tier II	<ul style="list-style-type: none"> • Smaller Mutual Funds • Smaller Insurance Cos. • Smaller Pension Funds • Smaller Money Mngrs. • Directed Accounts 	<ul style="list-style-type: none"> • Buy Medium Blocks • Sophisticated • Typically Buy and Hold
5/1/2023	2,400	5.000%	2.260%			
5/1/2024	2,520	5.000%	2.390%			
5/1/2025	2,645	5.000%	2.480%			
5/1/2026	2,780	5.000%	2.600%			
5/1/2027	2,920	5.000%	2.730%			
5/1/2028	3,065	5.000%	2.810%	Tier I	<ul style="list-style-type: none"> • Major Mutual Funds • Large Pension Funds • Insurance Companies • Large Trust Funds • Large Money Managers 	<ul style="list-style-type: none"> • Buy Large Blocks • Highly Sophisticated • Price and Duration • Actively Managed
5/1/2029	3,215	5.000%	2.860%			
5/1/2030	3,375	5.000%	2.910%			
5/1/2031	3,440	5.000%	2.960%			
5/1/2032	3,525	5.000%	3.010%			
5/1/2033	3,680	5.000%	3.050%			
5/1/2034	3,815	5.000%	3.090%			
5/1/2035	3,975	5.000%	3.130%			
5/1/2040	21,350	5.000%	3.290%			
5/1/2045	28,615	5.000%	3.390%			

Methods of Sale

Municipal bonds are sold either through a competitive process or through negotiated sale

Competitive Sale

- Municipality takes bids at a certain time on a predetermined date
- Underwriter offering best (highest) price wins

Negotiated Sale

- Underwriter often selected through RFP
- Municipality and underwriter negotiate a price for the bonds

Competitive Sales

In a competitive bid, the municipality accepts bids, typically through an electronic platform, at a certain time on a predetermined date and the underwriter offering best (highest) price wins the bonds

Advantages

- Multiple potential bidders
- Generally between 3-10 bidders
- Best price on the bid date wins

Disadvantages

- Fixes the sale to a set date
- More difficult for “story” bonds
- Limited pre-marketing period
- No retail order period

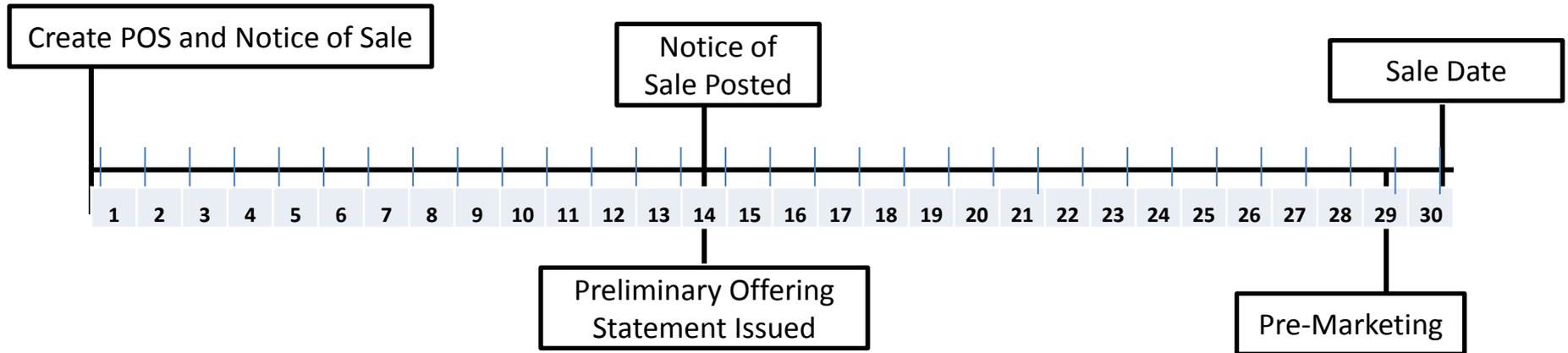
Competitive Underwriting Process

In a competitive bid, the underwriter takes a slightly different approach to preparing a bid than he does with a negotiated sale

- Limited time to pre-market the issue
- Looking for “anchor” buyer to set scale
- Create an appealing coupon structure
- Evaluation of risk versus reward
- Capital commitment

Competitive Sales: Timeline

Example Timeline for Competitive Sales Transaction



Competitive Calendar

- Underwriters have a wide variety of issuers to choose from
- For example, on March 2, 2015, 106 records of competitive transactions were up for bid

<HELP> for explanation.

1) Export to Excel 2) Edit Columns Competitive Calendar

Start 03/02/2015 End --/--/----

Date	Description	ST	Amt (MM)	Tax	Senior Manager	Status	Type	Moody's	S&P
11) 03/02/2015	ALTOONA SD	WI	13,000	N	VINING-SPARKS IBG	AWARDED	COMP		AA-
12) 03/02/2015	BRYAN ISD -REF -B	TX	42,020	N	CITIGROUP GLOBAL M	AWARDED	COMP		AAA
13) 03/02/2015	BELOIT -C	WI	2,450	Q	BOSC INC	AWARDED	COMP		A+
14) 03/02/2015	BELOIT -PROM NTS -	WI	.760	Q	BANKERS BANK	AWARDED	COMP		A+
15) 03/02/2015	BRYAN ISD -A	TX	43,510	N	ROBERT W. BAIRD & C	AWARDED	COMP		AAA
16) 03/02/2015	JOHNSTON -REF	IA	21,620	N	FTN FIN CAPITAL MAR	AWARDED	COMP		AA+
17) 03/02/2015	MADISON DT PUB SCHS-RE	MI	4,420	N	JJB HILLIARD, WL LYO	AWARDED	COMP		AA-
18) 03/02/2015	BROOKLYN -REF	IA	1,180	Q	UMB BANK N.A.	AWARDED	COMP		
19) 03/02/2015	LINCOLN CO SD FIN CORP	KY	7,000	Q	POSTPONED		COMP		
20) 03/02/2015	MEMONONIE -REF -B	WI	3,150	Q	POSTPONED		COMP		
21) 03/02/2015	MEMONONIE -PROM NTS	WI	2,115	Q	POSTPONED		COMP		
22) 03/02/2015	PARK RIDGE -REF -A	IL	6,495	Q	FTN FIN CAPITAL MAR	AWARDED	COMP	Aa2	
23) 03/02/2015	RENO CO USD #313 -	KS	9,300	Q	FTN FIN CAPITAL MAR	AWARDED	COMP	A2	
24) 03/02/2015	RENO CO USD #313 -TX	KS	.700	T	COMMERCE BANK N.A.	AWARDED	COMP	A2	
25) 03/02/2015	PARK RIDGE -REF -TXBL	IL	8,145	T	BMO CAPITAL MARKET	AWARDED	COMP	Aa2	
26) 03/02/2015	STEPHENS CO ISD #42	OK	2,360	Q	COUNTRY CLUB BANK	AWARDED	COMP		
27) 03/02/2015	STEPHENS CO ISD #42	OK	.450	Q	COUNTRY CLUB BANK	AWARDED	COMP		
28) 03/02/2015	BARDSTOWN ISD FIN CORP	KY	1,245	Q	JJB HILLIARD, WL LYO	AWARDED	COMP	Aa3	
29) 03/02/2015	BELLEVILLE WLG -WTR -	WI	.900	Q	BANKERS BANK	AWARDED	COMP		
30) 03/02/2015	GERMANTOWN WLG -	WI	2,655	Q	ROBERT W. BAIRD & C	AWARDED	COMP	Aa2	
31) 03/02/2015	TRAILL CNTY WTR RES DI	ND	.875	Q	DOUGHERTY & COMPAN	AWARDED	COMP		
32) 03/02/2015	URBANDALE CMNTY SD -R	IA	5,655	Q	FTN FIN CAPITAL MAR	AWARDED	COMP	Aa3	

New issues: Phone: (609)279-3250 Fax: (800)395-9403 Email: newscsi@bloomberg.net Zoom 100%

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Negotiated Sales

In a negotiated sale, the municipality negotiates the price for each maturity with the underwriter

Advantages

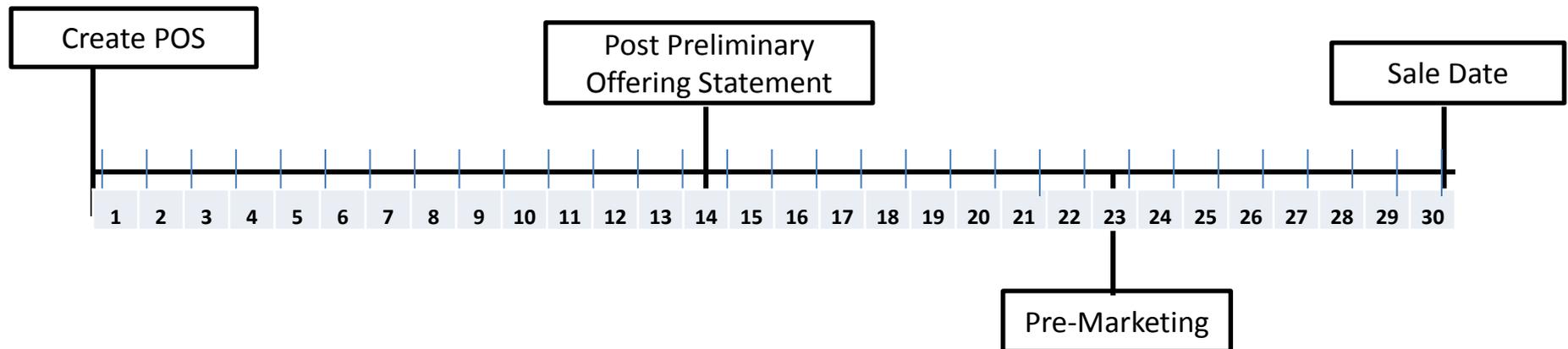
- Greater opportunity to engage investors
- Greater flexibility to respond to changing market conditions
- Ability to select underwriter(s)

Disadvantages

- No comparable TIC to evaluate price
- May come with politics
- In-fighting among underwriters

Negotiated Pricing: Timeline

Example Timeline for Negotiated Sales Transaction



Negotiated Underwriting Process

In a negotiated sale, the underwriter will begin thinking about investors and structure a week or two in advance

- Optimal structure to maximize investor interest
 - Premiums, Discounts, Term Bonds, Call Features
- Build momentum through investor indications
- Seeks to position the credit versus other deals in the market
- Create competition for bonds among investors

Marketing Process

Most negotiated sales follow a similar process...

- Market Update Call – 7-10 Days Prior to the issue
 - A. Market overview – supply/demand technicals
- Premarketing Period
 - A. POS Mailed
 - B. Credit Education
 - C. Pre-Marketing – price thoughts and establish initial rates
- Bond Pricing
 - A. Retail Order Period – Day 1 (if used)
 - B. Institutional Day – Day 2
- Underwriting Commitment – recommended changes and offer to buy bonds

Structure Wire

- Three or four days prior to the sale date, the underwriter will put out a “structure wire”
- The wire goes out electronically to all other underwriters on the transaction as well as investors
- The primary purpose is to give the market a sense of maturity structure, rating and call features

Example College District No. 555, Los Angeles County, California
General Obligation Bonds, Series 2014

Expected pricing Thursday 9/25/14 \$40,260,000*

MOODY's Aa1 S&P: FITCH:

DATED: 10/16/2014

MATURITY	AMOUNT*
6/1/2016	1,810M
6/1/2017	1,845M
6/1/2018	1,880M
6/1/2019	1,930M
6/1/2020	2,045M
6/1/2021	2,115M
6/1/2022	2,190M
6/1/2023	2,270M
6/1/2024	2,360M
6/1/2025	2,455M
6/1/2026	2,550M
6/1/2027	2,665M
6/1/2028	2,785M
6/1/2029	1,050M
6/1/2030	1,105M
6/1/2031	1,160M
6/1/2032	1,215M
6/1/2033	1,275M
6/1/2034	1,280M
6/1/2035	3,570M

CALL FEATURES: Optional call on 12/01/2023 @ 100.00

Retail/Pre-Marketing Scale

- The second wire is the retail wire (if there's a retail order period) or the pre-pricing scale
- The primary purpose is to take retail orders (if there's a retail order period) and to aggressively seek institutional investor feedback

RE: \$37,635,000
 Example Community College District No. 555 Example County
 General Obligation Bonds Series 2014

MOODY'S Aa1 S&P: FITCH:
 DATED: 10/16/2014 FIRST COUPON: 6/1/2015

MATURITY	AMOUNT*	COUPON	YIELD	PRICE	TAKEDOWN (Pts)
6/1/2016	1,565M	2.500%	0.410%	\$103.381	1/4
6/1/2017	1,605M	3.000%	0.600%	\$106.240	1/4
6/1/2018	1,650M	3.000%	0.970%	\$107.213	1/4
6/1/2019	1,700M	4.000%	1.310%	\$112.032	3/8
6/1/2020	1,770M	5.000%	1.650%	\$117.923	3/8
6/1/2021	1,860M	5.000%	1.960%	\$118.798	3/8
6/1/2022	1,950M	5.000%	2.250%	\$119.167	3/8
6/1/2023	2,050M	5.000%	2.450%	\$119.714	3/8
6/1/2024	2,150M	5.000%	2.530%	\$120.010	3/8
6/1/2025	2,260M	5.000%	2.660%	\$118.845	3/8
6/1/2026	2,370M	5.000%	2.790%	\$117.692	3/8
6/1/2027	2,490M	5.000%	2.930%	\$116.466	3/8
6/1/2028	2,615M	3.000%	3.030%	\$99.665	3/8
6/1/2029	2,450M	3.000%	3.100%	\$98.829	1/2
6/1/2030	1,015M	3.000%	3.170%	\$97.915	1/2
6/1/2031	1,070M	3.125%	3.230%	\$98.653	1/2
6/1/2032	1,125M	3.125%	3.290%	\$97.804	1/2
6/1/2033	1,180M	3.250%	3.340%	\$98.756	1/2
6/1/2034	1,235M	5.000%	3.390%	\$112.541	1/2
6/1/2035	3,525M	5.000%	3.440%	\$112.124	1/2

CALL FEATURES: Optional call on 12/01/2023 @ 100.00

Preliminary Pricing Wire

- The preliminary pricing wire – which is published first thing on the morning of pricing – officially opens the order period to all investors
- The underwriter will accept orders for bonds at these prices and yields
- Market demand may alter coupon or yield for any given maturity

RE: \$37,635,000
 Example Community College District No. 555 Example County
 General Obligation Bonds Series 2014

MOODY'S Aa1 S&P: FITCH:

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6/1/2019	1,700M	4.000%	1.310%	\$112.032	3/8
6/1/2020	1,770M	4.000%	1.650%	\$112.572	3/8
6/1/2021	1,860M	4.000%	1.960%	\$112.614	3/8
6/1/2022	1,950M	5.000%	2.250%	\$119.167	3/8
6/1/2023	2,050M	5.000%	2.450%	\$119.714	3/8
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6/1/2027	2,490M	5.000%	2.930%	\$116.466	3/8
6/1/2028	NMO*	NMO*	NMO*	\$99.665	3/8
6/1/2029	NMO*	NMO*	NMO*	\$98.829	1/2
6/1/2030	NMO*	NMO*	NMO*	\$97.915	1/2
6/1/2031	1,070M	3.125%	3.230%	\$98.635	1/2
6/1/2032	1,125M	3.125%	3.290%	\$97.804	1/2
6/1/2033	1,180M	3.250%	3.340%	\$98.756	1/2
6/1/2034	1,235M	5.000%	3.390%	\$112.541	1/2
6/1/2035	3,525M	5.000%	3.440%	\$112.124	1/2

CALL FEATURES: Optional call on 12/01/2023 @ 100.00

*No More Orders

Final/Commitment Wire

- The final/commitment wire shows the final, negotiated structure and prices for the bonds

RE: \$37,635,000
 Example Community College District No. 555 Example County
 General Obligation Bonds Series 2014

Execution Time 12:00EST Friday 9/26/14
 Settlement Date 10/16/2014 \$37,635,000

MOODY's Aa1 S&P: FITCH:

DATED: 10/16/2014 FIRST COUPON: 6/1/2015

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6/1/2016	1,565M	2.500%	0.410%	\$103.381	1/4
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6/1/2032	1,125M	3.125%	3.290%	\$97.804	1/2
6/1/2033	1,180M	3.250%	3.340%	\$98.756	1/2
6/1/2035	4,760M	4.000%	3.400%	\$108.839	1/2

Conclusion

- We covered a lot of ground
 - ✓ Yield Curves
 - ✓ Coupons
 - ✓ Yields
 - ✓ Prices
 - ✓ Factors Influencing Prices
 - ✓ Credit Spreads
 - ✓ MMD and Comparables
 - ✓ Competitive and Negotiated Sales
 - ✓ Marketing Process



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