



Thank you for working with Ehlers on your debt issuance. We're privileged to be able to serve you!

At Ehlers, we work together as a cohesive team to help you successfully navigate every facet of debt issuance and management. We've prepared this guide so you know what exactly what to expect during each phase of your project. If you have questions, please reach out to anyone on [our team of professionals](#).

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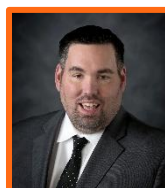
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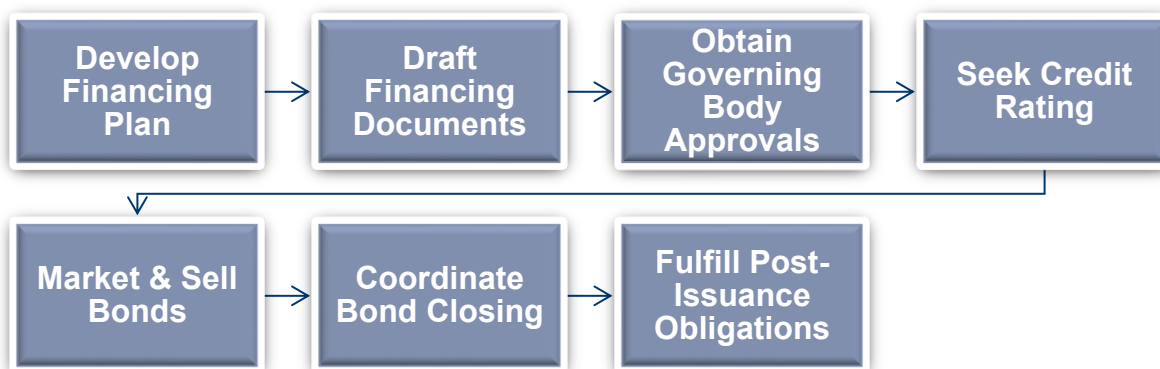
Working with Ehlers

What to expect when issuing debt



Issuing public debt consists of a process with distinct steps. Below is a general overview of the primary tasks and the professionals with whom you'll collaborate.

General Approach Overview:



How It Works:

DEVELOP FINANCING PLAN

Ehlers begins the debt issuance process by assembling your financing team (bond counsel, investment professionals, arbitrage consultants, etc.) to complete the below tasks:

1. Analyze financing feasibility
2. Select type of obligation & statutory authority(ies)
3. Develop preliminary size & structure
4. Determine method of sale
5. Establish preliminary terms & conditions
6. Review issuer's Investment Policy
7. Complete investment draw-down schedule
8. Review for arbitrage considerations (*tax-exempt only*)

DRAFT FINANCING DOCUMENTS

Ehlers and your bond counsel complete the majority of this step and proactively guide you through document review and approval.

1. Draft documents authorizing issuance & sale of the obligations
2. Prepare primary offering, as needed & disclosure documents to market the issue
3. Complete quality control review
4. Review existing policies for debt issuance & management

OBTAIN GOVERNING BODY APPROVALS

This is the key authorization phase of your project. Ehlers and your bond counsel collaborate to draft the necessary documents and assist you in finalizing them and preparing for presentation to the Governing Body.

1. Prepare & adopt any plans required per statute for authorization
2. Submit Pre-Sale Report & Authorizing Resolution to the governing board for authorization to proceed with and issue debt

SEEK CREDIT RATING (IF RATED)

Depending on the nature of your financing, it may be advantageous to seek a credit rating from one or more of the three primary rating agencies. Ehlers helps you prepare interview materials and actively participates in the rating call.

1. Review any need for or advisability of bond insurance
2. Prepare and submit application for State or other forms of credit enhancement
3. Submit request to rating agency for a rating call
4. Prepare informational materials
5. Review analyst inquiry and draft responses for questions and any others most likely to be asked
6. Participate in rating call & report preparation

MARKET & SELL BONDS

Ehlers seeks to achieve maximum visibility, investor interest, and ultimately, the lowest possible interest cost for your debt issuance. Our bond marketing and sale team work diligently to complete the following tasks:

1. Compile and prepare the Preliminary Official Statement (via information obtained in General Certificate)
2. Distribute Preliminary Official Statement to EMMA and any other information repositories
3. Review bids for compliance with terms of sale
4. Compile bid tabulation & recommend bid award
5. Draft Final Issuance, Sale & Award Document for governing body approval
6. Prepare & distribute Final Official Statement

COORDINATE BOND CLOSING

Ehlers' goal is to make bond closing as "invisible" as possible for our clients. We coordinate the closing with all parties, including bond counsel, Depository Trust Company (DTC) and the purchaser (underwriter), to minimize your workload.

1. Draft closing documents
2. Execute closing documents
3. Coordinate & confirm delivery on bond proceeds to issuer Account(s)
4. Remit payments for costs of issuance

FULFILL POST-ISSUANCE OBLIGATIONS

From bond proceeds management and compliance activities to monitoring for refunding opportunities and record keeping, post-issuance obligations last for the life of the debt issuance. Ehlers' integrated advisory team helps you ensure all responsibilities are met accurately and on time.

1. Monitor & adjust bond proceeds investment portfolio, as needed
2. Remit bond payments
3. Conduct arbitrage rebate monitoring & reporting
4. Remit arbitrage rebate payments, as required
5. Complete & disseminate continuing disclosures per the terms of Continuing Disclosure Agreement
6. Monitor market conditions for refunding opportunities
7. Monitor for compliance with covenants
8. Assist with preparation for credit rating surveillance calls
9. Compile & maintain records, as required

Bond Transaction Participants & Roles:

MUNICIPAL ADVISOR

EHLERS

- Advises on all aspects of financing plan & calendar
- Recommends bond structure, size, timing, terms & method of sale
- Prepares official statement & disclosure documents, if not prepared by another party
- Compensated via flat fee from bond proceeds

BOND COUNSEL

DORSEY & WHITNEY LLP

- Provides validity, tax & other opinions
- Helps support debt authorization under state and federal law
- Assists with completing certain sections of the Official Statement
- Prepares Agenda Language, Authorizing Resolution, Legal Opinion, Closing Documents & Continuing Disclosure Agreement
- Compensated via flat fee from bond proceeds

INVESTMENT PROFESSIONALS

EHLERS

- Advises issuer on investment of bond proceeds
- Establishes & manages investment portfolio(s) on behalf of client
- Compensated via direct, flat or % of assets-based fee agreement

ARBITRAGE CONSULTANTS

EHLERS

- Monitors arbitrage position & cash flows
- Maintains tracking log of key arbitrage dates & allowable investment yields
- Completes arbitrage reporting
- Advises issuer on IRS inquiries and/or audits
- Compensated via direct service contract with issuer

RATING AGENCY

MOODY'S

- Renders independent credit assessment of issuer & transaction
- Monitors issue via ongoing surveillance
- Compensated via flat fee from bond proceeds, but does not represent issuer

BOND UNDERWRITER/PURCHASER

TBD

- Initial purchaser of bonds & sells to investors
- Represents its own commercial interests
- Compensated via flat fee from bond proceeds

DISSEMINATION AGENT

EHLERS

- Prepares & remits required and voluntary continuing disclosures on behalf of the issuer
- Ensures past compliance efforts accurately reflected in official statements
- Respond to underwriter inquiries regarding past compliance
- Compensated via direct service contract with issuer, payable over the life of the bonds

PAYING AGENT

BOND TRUST SERVICES CORPORATION

- Facilitates the collection & distribution of funds for bond payments
- Holds trust powers
- Compensated via direct service contract with issuer, payable over the life of the bonds