

# *William Blair*

**TO: Kent Mutchler, Superintendent  
Donna Oberg, Assistant Superintendent**

**FROM: Elizabeth Hennessy**

**DATE: April 23, 2014**

**RE: Debt Service Reduction Plan**

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We have been discussing the Debt Service Reduction Plan for several years and the Board has now adopted a formal plan including many of the elements we discussed. It is our intent to work with the District as underwriter on this transaction(s) stemming from the Debt Service Reduction Plan. In addition, we would like to continue to update the Board at least annually on the Plan progress, as new information becomes available on financial results and bond market changes, and refunding/restructuring opportunities

The SEC's Municipal Advisor Rule (the "Rule") will be in affect starting July 1<sup>st</sup>, 2014. This Rule requires underwriters to be engaged by the issuer in order to continue to freely communicate regarding structure, timing, terms, and other similar matters concerning the proposed refunding Bonds. Such communications include the types of information we have been providing with regard to the Debt Service Reduction Plan. We recently mailed a detailed brochure in the question and answer format regarding the Rule. Basically, underwriters are prevented from giving advice on a bond issue to their clients unless they meet the underwriter exception to the Rule. The underwriter exception requires that the District engage the underwriter prior to receiving information that we have traditionally provided on an ongoing basis.

Please let me know if you have any other questions on the Municipal Advisor Rule or our engagement letter. My direct line is (312)364-8955.

Per Rule G-23 we are providing the information contained in this proposal for discussion purposes in anticipation of serving as an underwriter. In our capacity as underwriter, our primary role will be to purchase the Bonds as a principal in a commercial, arms' length transaction and we will have financial and other interests that differ from yours. We will not be acting as a municipal advisor, financial advisor or fiduciary. Additional information is available upon request.