

CITY CLERK
ORIGINAL

C-9293
10/20/2014

LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA AND
RBC CAPITAL MARKETS, LLC

THIS LINKING AGREEMENT (this "Agreement") is entered into as of October 20, 2014, between the City of Glendale, an Arizona municipal corporation (the "City"), and RBC Capital Markets, LLC, a corporation authorized to do business in Arizona ("Contractor"), collectively, the "Parties."

RECITALS

A. The State of Arizona Department of Administration on September 11, 2014 entered into Contract Number ADSPO14-00003944, and subsequently the parties entered into various amendments to the contract (collectively, the "Financial Advisory Services Contract"), a copy of which is incorporated by this reference.

B. The City is permitted to purchase the goods and services described in the ESRI Contract without further public bidding, and the Financial Advisory Services Contract permits its cooperative use by other governmental agencies, including the City

C Section 2-149 of the City's Procurement Code permits the Materials Manager to authorize procurement through the use of a contract initiated by another governmental entity when that government entity's procurement actions complied with the intent of the City's purchasing procedures in City Code Sections 2-145 and 2-146 and such purchase is in the best interest of the City. The City believes these conditions are met for purposes of the Financial Advisory Services Contract

D. The City desires to contract with Contractor for supplies, goods or services identical, or nearly identical, to the supplies, goods or services Contractor is providing the State of Arizona under the Financial Advisory Services Contract, Contractor consents to the City's utilization of the Financial Advisory Services Contract as the basis of this Agreement, and Contractor desires to enter into this Agreement to provide the goods and services set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the covenants and promises contained in this Agreement, the parties agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first set forth above and expires on September 10, 2015. At the option of the parties, this agreement may be extended for four additional, one-year periods.
2. Scope of Work; Terms, Conditions, and Specifications

- a) Contractor will provide City the identical supplies, goods or services Contractor provided the State of Arizona Department of Administration under the Financial Advisory Services Contract, as requested by the City in the proposal attached as Exhibits "A" and "B".
- b) Contractor agrees to comply with all the terms, conditions and specifications of the Financial Advisory Services Contract for the purposes of this Agreement, and the terms, conditions, and specifications are incorporated in this Linking Agreement by this reference. The "City of Glendale" shall be substituted for "End User" or similar references throughout the Financial Advisory Services Contract.

3. Compensation.

- a) City shall pay Contractor the same rate of compensation the End User pays Contractor under the Financial Advisory Services Contract pursuant to Exhibits A and B.
- b) The total purchase price for the Services as authorized in this agreement is to be consistent with the pricing set forth in Exhibit B. Total amounts paid are upon mutual agreement between the City and RBC Capital Markets, LLC and dependent upon the services necessary. In addition, the City may from time to time elect to purchase additional goods and services from Contractor pursuant to the Contract, and the City will comply with all applicable laws regarding procurement and approval of such purchases.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year set forth above

"City"

City of Glendale, an Arizona
Municipal Corporation

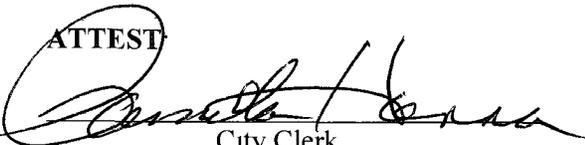
By: 
Name: Brenda S. Fischer
Title: City Manager

"Contractor"

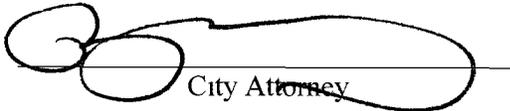
RBC Capital Markets, LLC

By: 
Name: Kurt Freund
Title: Managing Director

ATTEST


City Clerk

Approved as to Form


City Attorney

Proposal to Provide Financial Advisory Services to

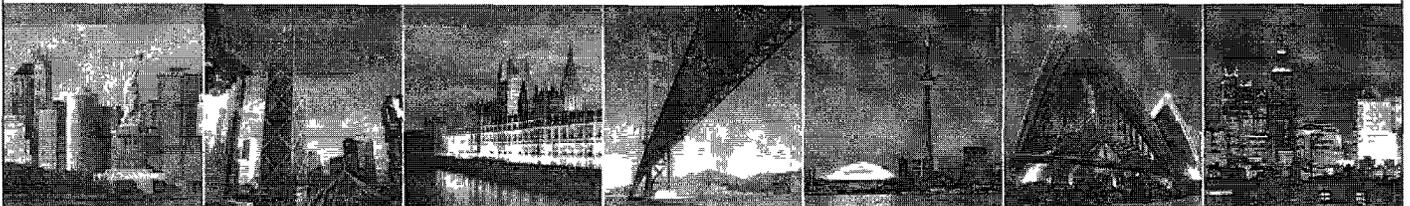


The State of Arizona

Financial Advisor Services

Solicitation # ADSPG14-00003944

July 24, 2014



RBC Capital Markets®

Exhibit A

OFFER FORMS AND CERTIFICATIONS

4.1 OFFER AND ACCEPTANCE

We have enclosed the signed Offer and Acceptance form and acknowledge RBC Capital Markets' intent to be bound by the Offer and terms of the Solicitation and that the information provided is true, accurate and complete.

4.2 ACKNOWLEDGEMENT OF SOLICITATION AMENDMENTS

We acknowledge that no solicitation amendments have been issued

4.3 OFFER FORMS

4.3.1 Offer and Acceptance Form (completed and signed)

We have enclosed the completed and signed Offer and Acceptance Form.

4.3.2 Offeror's Current Contracts

We have enclosed the required Offeror's Current Contracts forms for three (3) of our current contracts

4.4.1 Attachment I – Price Schedule

We have enclosed the required Attachment I - Price Schedule.



Exhibit A

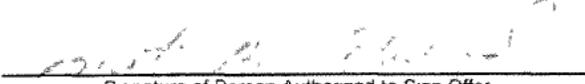
	Offer and Acceptance		State of Arizona State Procurement Office 100 N 15th Ave., Suite 201 Phoenix, AZ 85007
	Solicitation No ADSP014-00003944	PAGE 3	
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OFFER

TO THE STATE OF ARIZONA:

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. Signature also certifies Small Business status

RBC Capital Markets, LLC
Company Name
2398 E. Camelback Road, Suite 700
Address
Phoenix AZ 85016
City State Zip
Kurt.Freund@rbccm.com
Contact Email Address


Signature of Person Authorized to Sign Offer
Kurt M. Freund
Printed Name
Managing Director
Title
Phone (602) 381-5365
Fax (602) 381-5380

Taxpayer Identification Number XXXXXXXXXX

By signature in the Offer section above the Offeror certifies

- 1 The submission of the Offer did not involve collusion or other anticompetitive practices
- 2 The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246 State Executive Order 2009-9 or A.R.S. §§ 41-1461 through 1465
- 3 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 offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
- 4 The Offeror certifies that the above referenced organization IS/ IS NOT a small business with less than 100 employees or has gross revenues of \$4 million or less.

ACCEPTANCE OF OFFER

The Offer 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 Offer as accepted by the State

This Contract shall henceforth be referred to as Contract No.

The effective date of the Contract is _____

The Contractor is 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

State of Arizona
Awarded this _____ day of _____ 20____

Procurement Officer

Exhibit A

OFFEROR'S CURRENT CONTRACTS

Offeror shall provide and submit a separate Attachment III for a **maximum of three (3) professional contracts** to which the Offeror provided services similar in scope to those described in this solicitation

1. Reference Information	
Organization Name:	Arizona Department of Transportation
Address:	206 South Seventeenth Avenue
	<i>Street Address</i>
	Phoenix, AZ 85007
	<i>City, State, Zip Code</i>
Contact Information:	Kristine Ward (602) 712-6164
	<i>Contact Name Phone Number</i>
	kward@azdot.gov
	<i>Contact Email Address</i>
2. Description of Services Provided	
Services Begin Date 06/11/2009	Services End Date. Currently ongoing
Dollar Amount of Contract Variable amount; not fixed	Number/Type of Personnel: variable number of personnel as needed, senior advisors through administrative staff.
<p>Description of Services Provided (Include similar services performed as those described in this Solicitation's Scope of Work Offeror shall provide any and all information that documents successful, reliable experience and past performance, overall quality of job performance and any contract non-performance issues)</p> <p>RBC Capital Markets has served as the financial advisor to the Arizona Department of Transportation on all of its debt financings under the current State Solicitation for Financial Advisory Services awarded 5 years ago, as well as in prior years. The services we provide to the Department are virtually identical to the Scope of Work outlined in the current Solicitation from the State and include services such as assisting the Department in developing its debt financing plans, analyzing various debt structures to meet the Department's financing needs, providing various debt analyses and amortization structures for consideration, identifying refinancing opportunities for the Department, developing timetables for all financings, taking a lead role in organizing, typesetting and preparing for Department review the Preliminary and Final Official Statements for all financings and handling the publication and distribution of such documents, reviewing all of the legal documents associated with any financing, serving as a representative of the Department in interacting and negotiating with other financing participants including bond lawyers, underwriters, rating agencies, bond insurers, bank trustees and others, assisting the Department in its identification and evaluation of other financing participants, reviewing underwriter marketing plans for the sale of debt obligations and recommending approaches that best meet the Department's goals, evaluating the sale and pricing of all debt obligations, handling any other aspects of debt financings or related issues as needed by the Department. Indicative of our reliable experience and past performance, we have been re-hired by the Department on several occasions via periodic procurements for financial advisory services and are not aware of ever having any contract non-performance issues.</p>	

Exhibit A

OFFEROR'S CURRENT CONTRACTS

Offeror shall provide and submit a separate Attachment III for a **maximum of three (3) professional contracts** to which the Offeror provided services similar in scope to those described in this solicitation

1. Reference Information	
Organization Name	Arizona Department of Administration
Address.	100 North 15th Avenue, Suite 302
	<i>Street Address</i>
	Phoenix, AZ 85007
	<i>City, State, Zip Code</i>
Contact Information	Clark Partridge (602) 542-5405
	<i>Contact Name Phone Number</i>
	clark.partridge@azdoa.gov
	<i>Contact Email Address</i>
2. Description of Services Provided	
Services Begin Date 06/11/2009	Services End Date Currently ongoing
Dollar Amount of Contract Variable amount; not fixed	Number/Type of Personnel. variable number of personnel as needed, senior advisors through administrative staff.
<p>Description of Services Provided (Include similar services performed as those described in this Solicitation's Scope of Work Offeror shall provide any and all information that documents successful, reliable experience and past performance, overall quality of job performance and any contract non-performance issues)</p> <p>RBC Capital Markets has served as the financial advisor to the Arizona Department of Administration on virtually all of its debt financings under the current State Solicitation for Financial Advisory Services awarded 5 years ago, as well as in prior years. The services we provide to the Department are virtually identical to the Scope of Work outlined in the current Solicitation from the State and include services such as assisting the Department in developing its debt financing plans, analyzing various debt structures to meet the Department's financing needs, providing various debt analyses and amortization structures for consideration, identifying refinancing opportunities for the Department, developing timetables for all financings, taking a lead role in organizing, typesetting and preparing for Department review the Preliminary and Final Official Statements for all financings and handling the publication and distribution of such documents, reviewing all of the legal documents associated with any financing, serving as a representative of the Department in interacting and negotiating with other financing participants including bond lawyers, underwriters, rating agencies, bond insurers, bank trustees and others, assisting the Department in its identification and evaluation of other financing participants, reviewing underwriter marketing plans for the sale of debt obligations and recommending approaches that best meet the Department's goals, evaluating the sale and pricing of all debt obligations, handling any other aspects of debt financings or related issues as needed by the Department. Indicative of our reliable experience and past performance, we have been re-hired by the Department on several occasions via periodic procurements for financial advisory services and are not aware of ever having any contract non-performance issues</p>	

Exhibit A

OFFEROR'S CURRENT CONTRACTS

Offeror shall provide and submit a separate Attachment III for a **maximum of three (3) professional contracts** to which the Offeror provided services similar in scope to those described in this solicitation

1. Reference Information									
Organization Name	Arizona State University								
Address:	300 East University Drive, Suite 320								
	<i>Street Address</i>								
	Tempe, AZ 85287								
	<i>City, State, Zip Code</i>								
Contact Information	<table style="width: 100%; border: none;"> <tr> <td style="width: 60%; padding: 2px;">Joanne Wamsley</td> <td style="padding: 2px;">(480) 727-9920</td> </tr> <tr> <td style="padding: 2px;"><i>Contact Name</i></td> <td style="padding: 2px;"><i>Phone Number</i></td> </tr> <tr> <td colspan="2" style="padding: 2px;">joanne.wamsley@asu.edu</td> </tr> <tr> <td colspan="2" style="padding: 2px;"><i>Contact Email Address</i></td> </tr> </table>	Joanne Wamsley	(480) 727-9920	<i>Contact Name</i>	<i>Phone Number</i>	joanne.wamsley@asu.edu		<i>Contact Email Address</i>	
Joanne Wamsley	(480) 727-9920								
<i>Contact Name</i>	<i>Phone Number</i>								
joanne.wamsley@asu.edu									
<i>Contact Email Address</i>									
2. Description of Services Provided									
Services Begin Date: 04/16/2013	Services End Date Currently ongoing								
Dollar Amount of Contract Variable amounts; not fixed	Number/Type of Personnel variable number of personnel as needed, senior advisors through administrative staff.								
<p>Description of Services Provided (Include similar services performed as those described in this Solicitation's Scope of Work Offeror shall provide any and all information that documents successful, reliable experience and past performance, overall quality of job performance and any contract non-performance issues)</p> <p>RBC Capital Markets has served as the financial advisor to Arizona State University on virtually all of its debt financings under the University's current solicitation for Financial Advisory Services awarded in 2013, as well as in prior years. The services we provide to the University are virtually identical to the Scope of Work outlined in the current Solicitation from the State and include services such as assisting the University in developing its debt financing plans, analyzing various debt structures to meet the University's financing needs, providing various debt analyses and amortization structures for consideration, identifying refinancing opportunities for the University, developing timetables for all financings, taking a lead role in organizing, typesetting and preparing for University review the Preliminary and Final Official Statements for all financings and handling the publication and distribution of such documents, reviewing all of the legal documents associated with any financing, serving as a representative of the University in interacting and negotiating with other financing participants including bond lawyers, underwriters, rating agencies, bond insurers, bank trustees and others, assisting the University in its identification and evaluation of other financing participants, reviewing underwriter marketing plans for the sale of debt obligations and recommending approaches that best meet the University's goals, evaluating the sale and pricing of all debt obligations, handling any other aspects of debt financings or related issues as needed by the University. Indicative of our reliable experience and past performance, we have been re-hired by the University on several occasions via periodic procurements for financial advisory services and are not aware of ever having any contract non-performance issues.</p>									

Exhibit A

Attachment I



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Description Financial Advisor Services

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State of Arizona
State Procurement Office
100 N 15th Ave , Suite 201
Phoenix, AZ 85007

1. Financial Advisor Services Price Schedule (Attachment I)

Offeror's shall complete Attachment I entitled "Financial Advisor Services Price Schedule", and provide all requested information according to the instructions

Attachment I is found in Attachments section of ProcureAZ under the file named "Financial Advisor Services Price Schedule"

2. ProcureAZ Electronic System Requirement:

To ensure Offeror submits a valid bid, Offeror shall enter a one (1) dollar in the "Unit Cost" field on the "Items" tab in ProcureAZ, as a zero (0) will be considered a NO-BID by the system.

For assistance call the ProcureAZ Help Desk: 602-542-7600

PRICING SCHEDULE

The Offeror shall develop and submit six pricing schedules as per Attachment I, using the methodologies described below In each instance, the Offeror shall indicate the pricing for collateralized, non-collateralized, and pooled structure Pricing must be provided in an all-inclusive basis

- 1 The Offeror shall provide an all-inclusive fee, based on the size, or size range, for financial transactions Fees shall be stated as a dollar amount

PRICING SCHEDULE NUMBER ONE:

Per Bond Pricing Structure:

The Offeror shall indicate the fee per \$1,000 of the face value of the financing for each financing transaction undertaken by the Eligible Agency The Offeror shall indicate any changes in the fee per \$1,000 based on the size of the financing and shall indicate any minimum or maximum fees per financing transaction

The Offeror shall separately state the fees per \$1,000 for a collateralized structure and for a non-collateralized structure

The Offeror should also indicate if a price differential is available for transactions subsequent to the first financing



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Phoenix, AZ 85007**

A. COLLATERALIZED STRUCTURE PER \$1,000:

<u>Principal Amount of Issue</u>	<u>Fee</u>
<u>Principal amount of series less than \$30 million</u>	<u>\$2 00*</u>
<u>Principal amount of series of \$30 million to less than \$40 million</u>	<u>\$1 85*</u>
<u>Principal amount of series of \$40 million to less than \$50 million</u>	<u>\$1 65*</u>
<u>Principal amount of series of \$50 million to less than \$60 million</u>	<u>\$1 45*</u>
<u>Principal amount of series of \$60 million to less than \$70 million</u>	<u>\$1 35*</u>
<u>Principal amount of series of \$70 million or more</u>	<u>\$1 25*</u>

B. NON-COLLATERALIZED STRUCTURE PER \$1,000:

<u>Principal Amount of Issue</u>	<u>Fee</u>
<u>Principal amount of series less than \$30 million</u>	<u>\$2 00*</u>
<u>Principal amount of series of \$30 million to less than \$40 million</u>	<u>\$1 85*</u>
<u>Principal amount of series of \$40 million to less than \$50 million</u>	<u>\$1 65*</u>
<u>Principal amount of series of \$50 million to less than \$60 million</u>	<u>\$1 45*</u>
<u>Principal amount of series of \$60 million to less than \$70 million</u>	<u>\$1 35*</u>
<u>Principal amount of series of \$70 million or more</u>	<u>\$1 25*</u>

C. POOLED STRUCTURE PER \$1,000:

<u>Principal Amount of Issue</u>	<u>Fee</u>	<u>Incremental Cost per Borrower</u>
<u>Principal amount of series less than \$30 million</u>	<u>\$2 00*</u>	<u>\$10,000</u>
<u>Principal amount of series of \$30 million to less than \$40 million</u>	<u>\$1.85*</u>	<u>\$10,000</u>
<u>Principal amount of series of \$40 million to less than \$50 million</u>	<u>\$1 65*</u>	<u>\$10,000</u>
<u>Principal amount of series of \$50 million to less than \$60 million</u>	<u>\$1 45*</u>	<u>\$10,000</u>
<u>Principal amount of series of \$60 million to less than \$70 million</u>	<u>\$1 35*</u>	<u>\$10,000</u>
<u>Principal amount of series of \$70 million or more</u>	<u>\$1 25*</u>	<u>\$10,000</u>

* The fee per \$1,000 principal amount for collateralized or non-collateralized issues is subject to a minimum fee for fixed rate financings of \$50,000 per financing series, for variable rate financings, the minimum fee is \$60,000 per financing series. The fee per \$1,000 principal amount for pooled financing structures is subject to a minimum fee for fixed rate financings of \$50,000 per financing series, for variable rate financings, the minimum fee is \$60,000. For the initial issuance of any newly created financing, an additional fee of \$30,000 would be charged due to the additional time and effort involved in creating such a new structure or financing program. For issues involving the refunding of existing debt obligations, an additional fee of up to \$25,000 would be charged based on the complexity of the refunding.



Exhibit A

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PRICING SCHEDULE NUMBER TWO (COLLATERALIZED, NON-COLLATERALIZED, AND POOLED):

Hourly Rates: The Offeror shall provide a schedule of hourly rates for each Key Person who may provide services described in the Scope of Work. The Offeror shall indicate any minimum or maximum fees for such services or per financing transaction (use a separate sheet if necessary)

A. COLLATERALIZED STRUCTURE:

<u>Name of Key Person & Title</u>	<u>Hourly Rate*</u>	<u>Min/Max Fees per Transaction</u>
<u>Kurt Freund, Managing Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>John Snider, Managing Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>Jeff Wagner, Managing Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>Nick Dodd, Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>Bill Wildman, Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>Megan Wienand, Vice President</u>	<u>\$425 per hour</u>	<u>\$ see below</u>
<u>Phong Pham, Vice President</u>	<u>\$425 per hour</u>	<u>\$ see below</u>
<u>Kathryn Pong, Associate</u>	<u>\$425 per hour</u>	<u>\$ see below</u>
<u>Loren Morales, Associate</u>	<u>\$425 per hour</u>	<u>\$ see below</u>
<u>Austin Lahr, Analyst</u>	<u>\$300 per hour</u>	<u>\$ see below</u>
<u>Jamie Durando, Managing Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>All other senior level bankers</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>All other officer level bankers</u>	<u>\$425 per hour</u>	<u>\$ see below</u>
<u>All other associate level bankers</u>	<u>\$300 per hour</u>	<u>\$ see below</u>

B. NON-COLLATERALIZED STRUCTURE:

<u>Name of Key Person & Title</u>	<u>Hourly Rate*</u>	<u>Min/Max Fees per Transaction</u>
<u>Kurt Freund, Managing Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>John Snider, Managing Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>Jeff Wagner, Managing Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>Nick Dodd, Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>Bill Wildman, Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>Megan Wienand, Vice President</u>	<u>\$425 per hour</u>	<u>\$ see below</u>
<u>Phong Pham, Vice President</u>	<u>\$425 per hour</u>	<u>\$ see below</u>
<u>Kathryn Pong, Associate</u>	<u>\$425 per hour</u>	<u>\$ see below</u>
<u>Loren Morales, Associate</u>	<u>\$425 per hour</u>	<u>\$ see below</u>
<u>Austin Lahr, Analyst</u>	<u>\$300 per hour</u>	<u>\$ see below</u>
<u>Jamie Durando, Managing Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>All other senior level bankers</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>All other officer level bankers</u>	<u>\$425 per hour</u>	<u>\$ see below</u>
<u>All other associate level bankers</u>	<u>\$300 per hour</u>	<u>\$ see below</u>



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C. POOLED STRUCTURE:

<u>Name of Key Person & Title</u>	<u>Hourly Rate*</u>	<u>Min/Max Fees per Transaction</u>
<u>Kurt Freund, Managing Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>John Snider, Managing Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>Jeff Wagner, Managing Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>Nick Dodd, Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>Bill Wildman, Director</u>	<u>\$550 per hour</u>	<u>\$ see below</u>
<u>Megan Wienand, Vice President</u>	<u>\$425 per hour</u>	<u>\$ see below</u>
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<u>All other associate level bankers</u>	<u>\$300 per hour</u>	<u>\$ see below</u>

* The fee for collateralized or non-collateralized issues is subject to a minimum fee for fixed rate financings of \$60,000 per financing series, for variable rate financings, the minimum fee is \$75,000 per financing series. The fee per \$1,000 principal amount for pooled financing structures is subject to a minimum fee for fixed rate financings of \$70,000 per financing series, for variable rate financings, the minimum fee is \$85,000. Hourly fee pricing would only apply to any debt obligation series of \$50 million or less. For the initial issuance of any newly created financing, an additional fee of \$30,000 would be charged due to the additional time and effort involved in creating such a new structure or financing program. For issues involving the refunding of existing debt obligations, an additional fee of up to \$25,000 would be charged based on the complexity of the refunding.



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PRICING SCHEDULE NUMBER THREE (COLLATERALIZED, NON-COLLATERALIZED AND POOLED):

Annual Retainer Fees:

The Offeror shall indicate an annual retainer price for all services described in the Scope of Work

The Offeror shall separately state the retainer price if a collateralized, non-collateralized or pooled structure is utilized

The Offeror shall indicate any limitations on the services to be provided under such a fee arrangement

Limitations: The Offeror shall indicate if any of the three pricing methodologies are unacceptable

- A. **Collateralized:** \$60,000 annually per Agency*
- B. **Non-Collateralized:** \$60,000 annually per Agency*
- C. **Pooled:** \$60,000 annually per Agency*

* Under this pricing approach, our services would be limited to the Scope of Work items not specifically related to the issuance of any obligations and we would discount proposed per bond pricing fees for any issuance by 7.5% The annual retainer would need to be paid prior to any services being provided in any fiscal year

PRICING SCHEDULE NUMBER FOUR (KEY PERSON WITH HOURLY RATE):

The Offeror shall indicate hourly rates for other financial advisory activities described in the Scope of Work (associated with a bond issue transaction).

<u>Name of Key Person</u>	<u>Title</u>	<u>Hourly Rate*</u>
<u>Kurt Freund</u>	<u>Managing Director</u>	<u>\$550 per hour</u>
<u>John Snider</u>	<u>Managing Director</u>	<u>\$550 per hour</u>
<u>Jeff Wagner</u>	<u>Managing Director</u>	<u>\$550 per hour</u>
<u>Nick Dodd</u>	<u>Director</u>	<u>\$550 per hour</u>
<u>Bill Wildman</u>	<u>Director</u>	<u>\$550 per hour</u>
<u>Megan Wienand</u>	<u>Vice President</u>	<u>\$425 per hour</u>
<u>Phong Pham</u>	<u>Vice President</u>	<u>\$425 per hour</u>
<u>Kathryn Pong</u>	<u>Associate</u>	<u>\$425 per hour</u>
<u>Loren Morales</u>	<u>Associate</u>	<u>\$425 per hour</u>
<u>Austin Lahr</u>	<u>Analyst</u>	<u>\$300 per hour</u>
<u>Jamie Durando</u>	<u>Managing Director</u>	<u>\$550 per hour</u>
<u>All other senior level bankers</u>		<u>\$550 per hour</u>
<u>All other officer level bankers</u>		<u>\$425 per hour</u>
<u>All other associate level bankers</u>		<u>\$300 per hour</u>

* Fees are for "other financial advisory activities" associated with a bond issue transaction in addition to the fees set forth in Pricing Schedule Number One



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Description **Financial Advisor Services**

OF
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**State of Arizona
State Procurement Office
100 N 15th Ave , Suite 201
Phoenix, AZ 85007**

PRICING SCHEDULE NUMBER FIVE (KEY PERSON WITH HOURLY RATE):

The Offered shall indicate hourly rates for other financial advisory activities described in the Scope of Work (not associated with a bond transaction).

<u>Name of Key Person</u>	<u>Title</u>	<u>Hourly Rate</u>
<u>Kurt Freund</u>	<u>Managing Director</u>	<u>\$550 per hour</u>
<u>John Snider</u>	<u>Managing Director</u>	<u>\$550 per hour</u>
<u>Jeff Wagner</u>	<u>Managing Director</u>	<u>\$550 per hour</u>
<u>Nick Dodd</u>	<u>Director</u>	<u>\$550 per hour</u>
<u>Bill Wildman</u>	<u>Director</u>	<u>\$550 per hour</u>
<u>Megan Wienand</u>	<u>Vice President</u>	<u>\$425 per hour</u>
<u>Phong Pham</u>	<u>Vice President</u>	<u>\$425 per hour</u>
<u>Kathryn Pong</u>	<u>Associate</u>	<u>\$425 per hour</u>
<u>Loren Morales</u>	<u>Associate</u>	<u>\$425 per hour</u>
<u>Austin Lahr</u>	<u>Analyst</u>	<u>\$300 per hour</u>
<u>Jamie Durando</u>	<u>Managing Director</u>	<u>\$550 per hour</u>
<u>All other senior level bankers</u>		<u>\$550 per hour</u>
<u>All other officer level bankers</u>		<u>\$425 per hour</u>
<u>All other associate level bankers</u>		<u>\$300 per hour</u>

PRICING SCHEDULE NUMBER SIX:

Optional Pricing: The Offeror shall provide a firm, fixed, all-inclusive maximum fee per Financing Transaction involving the sale of certificates regardless of the number of buildings acquired and equipment and the size of the issue

\$750,000 Maximum Fee (dollar amount) per Financing Transaction Offeror should also indicate how this fee will be calculated (hourly rates, etc)

The fee can be calculated under Pricing Schedule Number One herein

Our proposed fees outlined in any Pricing Schedules noted above do not include any investment advisory services or services related to ancillary financial products such as interest rate derivative contracts or interest rate caps, collars or floors, which are not included in the Scope of Work. If such additional services were requested, and we were able to provide such services, they would be subject to a fee payment at a negotiated fee approved in advance

In addition to the fees provided in the Pricing Schedules above, the following additional fees may apply, depending on the circumstances of the specific transaction

For transactions in which RBCCM serves as a placement agent on a loan or securities purchased directly by a bank or other financial institution the fee would not exceed 2% of the total loan amount

Assembly and publishing of Official Statement or Placement Memorandum, a fee of not to exceed \$25,000 (typically for smaller issuers)



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Supplemental interest certificates, capital appreciation securities, convertible capital appreciation securities, stepped coupon securities or securities with taxable interest the fee basis may be adjusted by not greater than \$2.50 per \$1,000

For assistance with complex financings or unique requests outside of the traditional services typically provided and contemplated in the Scope of Work, RBCCM could negotiate additional compensation with the non-State Agency local political subdivisions. Complex financings of such subdivisions may include, but are not limited to (1) title or real estate issues, (2) utility company acquisitions, (3) tax increment or land based financings (special districts), (4) public/private partnerships (5) financings involving conduit issuers (6) other circumstances requiring a significantly higher degree of complexity or effort



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QUESTIONNAIRE SECTION:

7.1. METHOD OF APPROACH

7.1.A. Offeror shall provide a narrative response that describes your organization's overall method of approach for providing financial advisory services.

Over the course of RBC Capital Markets' ("RBCCM's") professional relationship with various State agencies as financial advisor, we have always strived to improve the service provided and the results achieved. Our efforts and achievements have included, among other issues, working to better define the roles and responsibilities of the financial advisor and the underwriting team. The goals of these efforts have been

- to streamline the bond issuance process to its most efficient level in terms of the time and resources of the involved Agency staff and the rest of the financing team,
- to ensure that the underwriting team's primary focus is on the marketing and sale of the Agency's bonds, thereby improving the likelihood of achieving the lowest interest cost,
- to achieve, in conjunction with the Agency's efforts, underwriting costs that are no greater than what is necessary to effectively market and sell the State's debt.

While we believe there is always room for further improvement, we also believe we have been very successful in accomplishing these goals. The State Agency's bond issuance process is geared toward achieving the desired end result: the lowest borrowing costs consistent with market conditions. The focus of the underwriting team on selling the State's debt has been clearly demonstrated to the various Agency staff who have directly participated in financings in recent years and is further evidenced by the interest rates achieved.

By way of example, the State Agencies we have worked with have seen a distinct and noticeable reduction in underwriting costs over the last ten-year period. While these reductions are in part a function of competitive market conditions, they are also a result of the efforts by RBC Capital Markets and the various Agencies to more clearly define the underwriter's role and to pay only for the services provided. By way of example, an underwriter's fee of \$5.00 per thousand dollars of bonds was not uncommon on various Agency financings in the not too distant past. In contrast, the underwriting cost on more recent financings is generally in the range of \$2.00 to \$3.00 per thousand dollars of bonds. This reduction in bond underwriting fees has resulted in real savings to the State's Agencies. Again, while not all of these savings can be attributed to the efforts of RBC Capital Markets and the Agencies to align costs paid with services provided and to successfully negotiate fees, a significant portion is due to these factors.

Although it is truly a team effort that produces low borrowing costs, the financial advisor is the only participant that serves only the Agency. While the other participants provide services valuable to the financing process and to the Agency, who they serve extends beyond the Agency. For example, the bond counsel's first responsibility is to protect the interest of investors. RBC Capital Markets obviously takes the unique role of the financial advisor very seriously and has worked diligently over the years to provide the broadest possible level of services and expertise to meet State Agencies' needs.

The following outline delineates the specific responsibilities that we would assume as financial advisor on any negotiated debt financing.

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Financial Advisory Services and Financing Responsibilities

I. Pre-Pricing Responsibilities of RBC Capital Markets Service Team

- 1 Consult with the Agency concerning legal issues, security structures, issue size, timing, and preliminary debt structure
- 2 Analyze and determine the Agency's capacity to issue the proposed debt
- 3 Provide projected debt service scenarios illustrating debt service coverage and cash flow requirements
- 4 Analyze and review existing debt obligations for refunding savings and/or debt restructuring.
- 5 Prepare a detailed timetable of events consistent with the Agency's scheduling needs
- 6 Prepare Agency briefing materials and assist in their presentation
- 7 Prepare and distribute a request for updated marketing and fee information from firms in the State's underwriting pool or other underwriters, as requested
- 8 Provide details on issue structure and terms to bond counsel for preparation of draft legal documents
- 9 Contact credit rating agencies and coordinate times for meeting with the various agencies
- 10 Analyze and recommend whether obtaining bond insurance will be cost effective. If necessary, contact insurers and coordinate meetings with them. Prepare and distribute a request for insurance fee proposals
- 11 Prepare and distribute multiple drafts of preliminary official statements and corresponding revisions received and evaluated from all financing participants
- 12 Review and comment on drafts of legal documents necessary for issuing the debt
- 13 Prepare and distribute, as needed, requests for proposals for services for registrar and paying agent, depository trustee, official statement printing, and verification agent
- 14 Review and summarize proposals received for third-party services and recommend providers
- 15 Review and summarize proposals received from underwriters, prepare additional market information concerning underwriters, and provide recommendations for the Agency's selection of underwriting team
- 16 Review and summarize fee proposals received from insurers and recommend firm for Agency selection
- 17 Prepare and/or review Agency policies designating underwriters and paying agent/registrar
- 18 Prepare travel itineraries for meeting with rating agencies and/or insurers, and assist in all travel accommodations including air, lodging, ground transportation, etc
- 19 Assist in the preparation and review of presentation materials and credit information to be provided to rating agencies and insurers
20. Review and comment on the level of disclosure to be provided by the Agency in order to comply with SEC Rule 15c2-12 concerning continuing secondary market disclosure
- 21 Participate in presentations to rating agencies and/or insurers and conduct follow-up discussions to clarify issues and/or encourage favorable responses
- 22 Review and provide recommendations on the marketing approach and plans proposed by the senior manager and other underwriters

II. Pricing Responsibilities of RBC Capital Markets Team

- 1 Recommend timing for pricing based on market conditions, cash flow needs and underwriters' input
- 2 Monitor and participate, if necessary, in implementation of approved marketing plan
- 3 Prepare updated materials for briefing the Agency and assist in any Agency's presentation to the JCCR and/or JLBC staff



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- 4 Review and comment on draft Bond or Certificate Purchase Agreement
- 5 Oversee the printing and distribution of the preliminary official statement
- 6 Prepare travel itineraries for bond pricing and assist in all travel accommodations including air, lodging, ground transportation, etc (if necessary)
- 7 Recommend any modifications to structure or terms (e.g. call features, reserve fund, etc.) for pricing
- 8 Prepare and distribute detailed pre-pricing materials to Agency staff including structure and terms of bonds, pricing timetable, status of current market, historical Agency financing results, current pricing data for comparable bond or note issues, etc
- 9 Advise and make recommendations on preliminary interest rate scale and fees proposed by underwriters
- 10 Review and evaluate status of pricing and advise Agency pricing team of same
- 11 Advise on and recommend negotiating issues and positions for Agency pricing team
12. Negotiate pricing issues with underwriters in conjunction with Agency pricing team
- 13 Review proposed allocation of bonds or notes among underwriters based on orders received and advise Agency pricing team on same
- 14 Provide bond counsel with final structure and terms of issue for finalizing Bond Documents
- 15 Provide underwriters' counsel with final structure and terms of sale for finalizing Bond or Certificate Purchase Agreement, review and comment on same, and advise Agency on execution
- 16 Provide the Agency relevant materials summarizing the results of the sale, results of comparable sales, and market conditions

III. Post Pricing Responsibilities

- 1 Prepare and distribute a draft final official statement
- 2 Prepare final debt service schedules
- 3 Review and comment on drafts of closing legal documents
- 4 Prepare and distribute a closing instructions memorandum detailing closing events, wire transfers and accounting for funds, and delivery of the obligations
- 5 Obtain underlying rating letters from credit agencies
- 6 Coordinate printing and distribution of final official statement
- 7 Review and comment on legal documents from bond insurer, if applicable
- 8 Execute closing certificate of financial advisor (as needed)
- 9 Review drafts of underwriters' report on distribution of obligations to investors

RBC Capital Markets takes pride in our method of approach and value added services in meeting our clients' scope of work requirements. While we believe that our approach is "best of class" as evidenced by feedback from our clients, we continually seek to improve upon our processes and the approach to assisting our clients in issuing their debt obligation in the most efficient and lowest cost manner. Given our national platform, we are able to consistently seek out and impart "best practices" from our clients across the country. Ultimately we have found that our best improvements are those collaboratively developed with our clients as we work through the often unique situations they face. These tailored solutions are another example of what sets RBC Capital Markets apart from most of our competitors.

7.1.B. Offeror shall provide three (3) clear examples that clearly demonstrate Offeror's experience in successfully providing consulting services from the last five years, projects or programs and depicts a clear understanding of the Scope of Work herein.

RBC Capital Markets has long been among the top firms in providing financial advisory services, as well as underwriting services, to governmental issuers across the United States. We are also consistently ranked by

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independent sources as typically the number 1 financial advisory firm serving State and local government issuers in Arizona and among the top 3 firms each year in providing underwriting services. Given our long-standing history and track record of successfully working with governmental agencies as a financial advisor, we can provide hundreds of examples from the last several years of our demonstrated expertise in this area. By way of example, just for the three current contracts we listed in this proposal, we have served as the financial advisor on 6 financings for the Arizona Department of Transportation, 4 financings for the Arizona Department of Administration and 10 financings for Arizona State University in the last five years alone. Examples of our efforts as financial advisor on a recent financing for each of these issuers are provided below.

RBC Capital Markets served as the financial advisor to the Arizona Department of Transportation on its \$715.47 million Series 2013 Subordinated Highway Revenue Bonds issued in January of 2013. For this financing, we identified the opportunity for the Department to realize significant debt service savings through a refinancing of select maturities from various series and lien types of its outstanding HURF Bonds, while restructuring the Department's annual debt service payments to accommodate and create the capacity to borrow \$230 million for new capital projects. The Department had a number of goals associated with the financing such as meeting its cash flow requirements, creating current debt capacity to meet its existing capital funding needs while preserving future debt capacity to meet the Department's long-term financing requirements, meeting its additional bonds test contained in the Arizona statutes and the bond legal documents, and achieving significant debt services savings through the refunding of existing debt. To accomplish these goals, we developed and provided over twenty different highly complicated analyses of various debt restructuring scenarios that included analyzing the refunding of both the Department's senior lien and subordinate lien debt, and the use of both of these security structures for the new refunding bonds that were being issued. The analyses, and ultimate the financing, also included the issuance of both tax-exempt Series 2013A Bonds as well as taxable Series 2013B Bonds to accomplish the desired financing structure for the Bonds. As a result of these efforts, we identified and recommended to the Department the approach and debt structure that best met all of the Department's needs.

Having identified the desired approach for the financing, we developed a proposed financing timetable that included all of the primary steps necessary in the financing process, and took a lead role in driving all of the financing participants to remain on the agreed upon schedule through the final closing of the financing. RBCCM also took the lead in all aspects of preparing a Preliminary Official Statement for the Department's active review, which included preparing multiple drafts of this document reflecting input from all of the financing participants, including the Department, all of which we typeset in-house in a "publication" ready format. We also reviewed all of the various legal documents associated with the financing, both to ensure that they reflected the business transaction that the Department was undertaking, as well as to provide another set of eyes to identify and correct any errors in drafts of the legal documents. As we do for virtually all of our financial advisory clients, RBCCM took an active role on the Department's behalf in developing a solicitation for the selection of underwriters for the transaction, as well as in evaluating all of the responses received and in providing summary information and making recommendations to the Department regarding the syndicate structure for the financing as well as the firms the Department might want to consider for the syndicate based on their capabilities and solicitation responses. RBCCM also took the lead on the Department's behalf in interacting with the credit rating agency services and in developing strategy for discussing the proposed financing and the Department's overall financial credit, and in participating with Department representatives in all meetings with the agencies. For the actual pricing of the Bonds, we provided specific direction to the lead underwriter to develop a marketing plan for the sale of the Bonds, which we then reviewed with and made recommendations to the Department as to how to proceed on various elements of that plan. We then monitored all aspects of the actual sale of the Bonds to investors with the Department and negotiated on their behalf with the underwriting syndicate to arrive at the final pricing for the Bond issue. As part of closing the Bond financing, we developed a final memorandum for the closing of the financing that detailed the various flows of funds and other steps required to close the issue and reviewed all of the various required closing documentation to ensure it correctly reflected the transaction. As part of the closing of the Bond financing, we prepared all of the final number runs associated with the issue, including providing updated debt schedules for all of the Department's newly outstanding Highway User Revenue Bonds that reflected the new money Bonds that were issued, the refunding bonds that were issued, and the remaining outstanding bonds of the Department after the refunding that was undertaken.

In February of 2013, we provided similar services to those outlined above to the Arizona Department of Administration in association with its \$62.63 million Refunding Certificates of Participation, Series 2013. The Series 2013 Certificates were issued by the Department to refinance existing Certificate obligations to generate debt service savings. RBCCM identified this opportunity for the Department as part of our ongoing financial advisory services where we regularly review issuer's outstanding debt for refunding opportunities based on current market interest rate conditions. The financing was split into Series 2013A and Series 2013B components as the



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Leased Property, or the collateral property, for each series was different. Rather than create two separate financings, RBCCM worked with the State's bond counsel for the financing to develop an approach where the 2013 Certificates could be issued through one offering document, but with two different series. This approach saved the State both time and money by realizing the efficiencies of undertaking one financing, instead of two. Given the larger combined size of the financing, it also made the issuance more attractive to a larger group of investors which helped reduce the State's overall borrowing costs. As we typically do for all of our financial advisory engagements, RBCCM played a direct and significant role participating in all aspects of the Certificate financing and in assisting and advising the Department throughout the process.

While we have served on more recent financings for Arizona State University, including in 2014, RBCCM served as financial advisor on a \$110.95 million System Revenue and Refunding Bond, Series 2013 for the University in January 2013. Similar to the Arizona Department of Transportation financing noted above, the University's 2013 Bonds involved the issuance of both tax-exempt Series 2013A Bonds as well as taxable Series 2013B Bonds, and included the issuance of Bonds for new money construction purposes as well as for refunding certain of the University's existing bonds for debt service savings. Initially, we worked with the University in the development of the debt structure and timetable for its new money borrowing designed to raise approximately \$87.6 million. In this regard, and similar to most financings we work on as a financial advisor, we provided numerous debt structuring analyses to the University for their review. Included in these analyses were various scenarios that involved the inclusion of a taxable bond component in order to provide financing for "non-governmental" or "private" purposes under the federal tax code as University's often have uses for a portion of their buildings (such as privately run food services or federal government research, as two examples) that may not be financed on a tax-exempt basis under the federal tax laws. In addition to these analyses regarding the new money portion of the University's financing, we also reviewed, as part of our ongoing financial advisory services, all of the University's outstanding Bonds for possible refunding opportunities to generate debt service savings. In doing so, we identified several maturities from two of the University's outstanding series of Bonds that based on current market rates made sense to consider for refinancing and which were then laddered into our structuring analyses. Over the several month period of the financing timetable, we continued to monitor the value of refunding these selected Bonds, as well as other Bonds, of the University to ensure that they provided sufficient refunding savings. In addition to our work with the University on the analytics and structuring of the financing components, we also undertook all of the typical services we provide as part of our financial advisory services including preparing multiple versions of the timetable for the financing, taking the lead in preparing all of the Preliminary and Final Official Statements for review by the University and other financing participants, assisting in the solicitation, review and evaluation of underwriters for the financing, serving as the lead contact for interactions with bond rating agencies, negotiating all aspects of the pricing of the Bonds with, and on behalf of the University, in working with the selected underwriting syndicate for the issue, reviewing all of the legal documents and closing documentation for the financing, and preparing all of the post pricing information and debt schedules for the multiple components of this particular Bond issue.

7.1.C. Describe how you will work with the Eligible Agency staff to prepare debt obligation financing plans, including alternative financing techniques, and make recommendations to maximize state objective and otherwise provide advice regarding financing transactions.

RBC Capital Markets takes a very collaborative approach in actively working with our clients on the development of their financing plans. Our efforts in that regard start with a basic foundation for the financial advisory relationship which is to make sure that we are fully knowledgeable of all of the debt related issues affecting the issuer and its debt programs. To create this foundational knowledge, we create a record of the existing debt profile of the issuer which reflects understanding all of their outstanding debt, the amortization and debt structure for that debt, any requirements that affect the issuer's legal debt capacity such as legislative provisions and/or legal covenants in existing documents, the credit ratings for the issuer's various types of debt, a review of the issuer's financial condition and trends in that regard, and any other debt related factors that may be relevant for any given issuer. For a new financial advisory engagement, we would review all of this information with the issuer to make sure in addition to all of this fact-based data, we understand the perspective of the issuer in terms of how they use debt, their perception of their debt portfolio, financial and other factors that they consider in issuing their debt obligations, and any information in terms of the process of issuing debt that they prefer.

Based on this knowledge, we would then make sure that we fully understand the issuer's goals and needs associated with any specific financing, as well as all of the details as to the purpose of the financing, desired financing terms or maturity lengths to consider, any sources of funding in addition to proceeds of the borrowing to be aware of and any other factors important to developing a financing plan for the borrowing. We are then able to combine these specific needs and goals with our in-depth knowledge of the issuer and its debt portfolio to develop



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a financing plan, or financing plan options, for the issuer's consideration. For most issuers, this process invariably involves a number of meetings and discussions where we present and explain various ideas or debt structuring scenarios and collaboratively work with the issuer to develop the end product or structure.

Regarding alternative financing techniques and ideas, RBC Capital Markets has long been at the forefront in developing innovative ideas for our financial advisory clients. These ideas run the gamut from developing more significant financing ideas or programs such as helping the Governor's office and Department of Administration to develop financing plans to help address the State's fiscal deficits in 2009-10, to the more daily effort involved in developing innovative solutions within a specific financing by applying our in-depth banking knowledge (an example might be how to create a new debt structure that does not require a reserve fund to replace a structure that does require one). Examples just in recent years of innovative alternative financing techniques and concepts we have developed include

- Identifying an opportunity for the State Department of Economic Security to issue \$200 million of Unemployment Insurance Notes to bridge a funding gap in the State's Unemployment Insurance Trust Fund. This was a unique financing that had never been done before in Arizona and that only a few states in the country have undertaken. RBC Capital Markets conceived the idea for the State and developed all of the financing concepts and credit issues to enable this financing to occur, working with the Governor's Office, the Department of Economic Security and the Department of Administration.
- Identifying and conceiving multiple financing concepts for the Governor's Office of Strategic Planning and Budgeting to consider for helping to address the State's fiscal crisis in 2009-10. This effort ultimately led to the State being able to finance roughly \$1.4 billion of the State's deficit, as opposed to having to raise taxes or cut expenditures further to address this shortfall. Innovative financings that were created and deployed as part of this effort included the sale/leaseback of various state assets to leverage the limited assets the State had available to address its problems, as well as the creation of a new State Lottery Bond concept and the development of legislation to enable that concept that had never previously existed in the State.
- As previously mentioned in our proposal, we developed in conjunction with the Arizona Department of Transportation an extensive restructuring of portions of the Department's HURF Bonds to create capacity to borrow \$230 million of new money proceeds while preserving future debt capacity and achieving significant debt service savings.
- We are in the process of developing an innovative conduit financing for Arizona State University that involves the issuance of Lease Revenue Obligations by an Industrial Development Authority for a loan to a newly created non-profit entity that will acquire and renovate a facility for the University in Washington, D.C.

7.1.D. Describe how you will coordinate and assist with the preparation of all necessary debt documents, including Official Statements and relevant legal documents.

As previously noted, RBC Capital Markets takes pride in our method of approach and value added services in meeting our clients' needs. A key part of our efforts in this regard relates to our work with issuer clients on development and preparation of the Preliminary and Final Official Statements for any transaction, as well as our review of the legal documents. Regarding the preparation of Official Statements, RBCCM takes a lead role with our financial advisory clients in the initial development of these documents, as well as often doing the actual typesetting of the Official Statements (RBCCM was a leader in Arizona in using this approach as a way to avoid costly printer typesetting bills). We have found that this approach provides a much more consistent product for issuers to review, while also providing the benefit of ensuring that changes to improve disclosure made on prior Official Statements are reflected in any newer Official Statement so that our issuer clients do not have to start all over each time they undertake a transaction. This approach also provides cost savings to issuers by reducing the amount of time that the issuer's staff needs to take in reviewing the document as well as eliminating the cost that is incurred if a law firm or other third party typesets the document. As a part of this effort of developing drafts of the Preliminary Official Statement for review by the issuer and other financing participants, RBCCM's goal is to gather as much of the data and information as possible that needs to be included in the Official Statement. Given our extensive knowledge and experience in the municipal finance industry and with many issuers, we are able to prepare drafts of the legal security and structure for the financing, all of the details of the specific structure for the issue being undertaken and gather all of the economic and demographic type data included in the Official Statement, which reduces the time and cost of having either the issuer or other third parties gather this information.

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In taking the lead role in the development and preparation of the Official Statement, we also work with all of the other financing participants to ensure their active review of the document, and in a timely manner

On any given financing, we will often prepare 3-5 drafts of the Preliminary Official Statement as part of the development and review process. Our experience as a financial advisor across the country has taught us that it is important for all parties involved in a financing to carefully review and prepare the Official Statement and not just treat that effort like a step in the process to get through as quickly as possible. Consistent with that thinking, RBCCM will always recommend that the issuer and the financing participants conduct a thorough document review call prior to the actual printing of a Preliminary Official Statement to make sure all parties believe the offering document is complete and accurate. We also, as part of our review of any transaction, actively review the issuer's continuing disclosure requirements from any existing transactions and check these requirements against the actual history of information filed on the EMMA site. Our findings are then shared with the issuer to make sure that the issuer includes accurate disclosure regarding this issue in the Official Statement, which has become a more and more important issue in recent time.

7.1.E. Describe any other tasks, counsel or assignments that are normally and customarily performed by a Financial Advisor that is not specifically mentioned above methods of approach.

In addition to the services outlined above under methods of approach, RBC Capital Markets regularly provides a number of other services as part of our value added approach to providing financial advisory services. These additional services can take many different forms, but generally they are driven by our belief that we should look to be helpful in all reasonable ways to our financial advisory clients on their debt related issues. Examples of services we regularly provide to financial advisory clients include:

- Reviewing legislation that may impact our clients from a debt or credit standpoint. Our efforts in this regard range from identifying and analyzing proposed legislation that we believe may be impactful to issuers and making them aware of it, to analyzing or working on legislation that our clients identify and/or are seeking. In many cases, we also develop drafts of legislation to enable financing approaches or concepts that RBCCM has created as part of meeting our clients' needs. We have done this in recent years for the Arizona Department of Transportation, for the Arizona Department of Administration and the Governor's Office, and for the State's three public universities, among others. Given our knowledge and recognized expertise in the municipal finance field, we are also very experienced in testifying before Legislative committees and in meeting with Legislators, their staff and others in the legislative process. As a former legislative staff person in the Arizona State Senate, Mr. Freund has drafted hundreds of legislative provisions over his career and brings this unique skill and knowledge to all of our financial advisory engagements. Mr. Dodd and Mr. Snider also have extensive experience reviewing and analyzing proposed legislation and have testified at the Legislature and met with Legislators on a number of proposed legislative bills over the years. No other firm really matches RBCCM's knowledge and reach in this area and most firms lack the resources and knowledge to provide this type of service at all.
- Taking the lead in rating agency surveillance reviews and other rating inquiries between bond financings. Today, issuers are subject to regular rating surveillance reviews by all three of the rating agencies. These reviews are required by the agencies to occur no less frequently than every 18 months. For our financial advisory clients, RBCCM takes the lead in responding and interacting with the rating agencies on behalf of our clients. Similarly, the rating agencies often make inquiries of our issuer clients regarding things such as legislative changes, litigation issues that may come up, requests for update information on issues such as pension or other post-employment benefit funding. As we do generally with rating agencies, RBCCM typically takes the lead in responding to these requests on behalf of, and in conjunction with our clients.
- Providing debt schedules and other debt related information (such as the value of refundings) for purposes of assisting our clients in their financial statement reporting and in the development of their annual budgets.
- Updating our clients on regulatory and other changes affecting the municipal debt markets. This has become a more and more extensive requirement with the significant amount of additional regulatory burdens federal regulators have placed on the municipal market from the SEC's Municipal Advisory Rules to the SEC's continuing disclosure initiative and many other provisions.
- Assisting our clients in gathering and providing data in response to Internal Revenue Service audits of debt issues that are randomly undertaken by the IRS. As any issuer who has gone through one of these audits knows, the information requested as part of these random audits is extensive and RBCCM often provides much of this information from its files.

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These are but a few of the additional services that RBCCM regularly provides to our financial advisory clients as part of our efforts to assist our clients

7.2 CAPACITY OF OFFEROR

7.2.A. Offeror shall submit copies of all applicable certificates, proof of SEC Registration, and licenses that can support Offeror's ability to provide services.

Pursuant to the provisions of the Dodd-Frank Act and the Securities and Exchange Commission's rules, any firm intending to provide municipal advisory services to municipal entities was required to register on a temporary basis with the SEC in 2010. More recently, the SEC has required firms, and their associated individuals who provide municipal advisory services to submit permanent registration to the SEC. RBC Capital Markets submitted the temporary registration materials to the SEC and became registered as a Municipal Advisor in 2010, our registration filing was amended as of April 21, 2011 as reflected on the SEC's list of registered Municipal Advisors and can be found on the SEC's website at <https://tts.sec.gov/MATR/>. RBC Capital Markets' registration number as reflected in the SEC's records is 866-00365-00. We are required by the SEC's rules to submit an application for the permanent registration of RBC Capital Markets and its associated individuals by July 31, 2014. The required materials are currently being assembled and will be submitted to the SEC on or prior to the required due date. We are also required to register as a Municipal Advisor with the Municipal Securities Rulemaking Board. Our registration with the MSRB is reflected on their website at <http://www.msrb.org/Registrants.aspx?listType=MA>.

7.2.B. Offeror to outline their capacity to provide the requested services Statewide.

The Royal Bank of Canada ("RBC") is a diversified global financial services company and a leading provider of financial products and services in personal and commercial banking, wealth management and trust, insurance, transaction processing, investment banking, interest rate and currency swaps, as well as a complete array of other financial products. In operation since 1869, RBC and its subsidiaries serve over 16 million corporate, governmental and individual clients through the effort of 79,000 employees in 44 different countries. RBC is one of the strongest, most stable banks in the world and has one of the highest credit ratings of any financial institution (Aa3/AA-/AA). RBC has a market capitalization of approximately \$93 billion. Various operating subsidiaries include

- One of the world's 10 largest money center banks
- A top 15 ranked global investment bank
- The seventh largest U.S. retail brokerage firm
- A primary dealer in U.S., UK, Canadian and Australian Government obligations

RBC Capital Markets, LLC ("RBCCM") is an indirect wholly-owned broker-dealer subsidiary of the Royal Bank of Canada and is headquartered in New York City. RBCCM is a full-service investment bank with over 7,100 professionals and support staff operating from 70 offices in 15 different countries. As detailed in the table below, RBC Capital Markets provides a full range of corporate and investment banking, sales and trading, research and related products and services to corporations, public sector and institutional clients in North America and specialized products and services globally.



Exhibit A

Global Investment Banking	Global Fixed Income, and Commodities	Global Equities	Global Research
<ul style="list-style-type: none"> ▪ Convertible Debt ▪ Corporate Finance ▪ Municipal Finance ▪ Equity Capital Markets ▪ Infrastructure Finance ▪ Loan and High Yield Capital Markets ▪ Mergers and Acquisitions ▪ Private Placements ▪ Restructuring ▪ Syndicated and Leveraged Finance 	<ul style="list-style-type: none"> ▪ Commodities ▪ Credit ▪ Debt Capital Markets ▪ Derivatives ▪ Emerging Markets ▪ Financial Products ▪ FX ▪ Rates ▪ Research ▪ Structured Finance 	<ul style="list-style-type: none"> ▪ Convertibles ▪ Electronic Trading ▪ Equity Sales and Trading ▪ ETF Trading ▪ Options ▪ Program Trading 	<ul style="list-style-type: none"> ▪ 100+ Analysts Covering over 1,100 Equities and Credits ▪ Credit ▪ Economics ▪ Emerging Markets ▪ Equity ▪ Fixed Income and Currencies ▪ FX ▪ High Yield ▪ Rates

Provided below is a detailed description of RBCCM's corporate structure and of the investment banking and financial advisory practices and professionals which will be made available to the State and its agencies and political subdivisions

Ownership Structure and Ratings

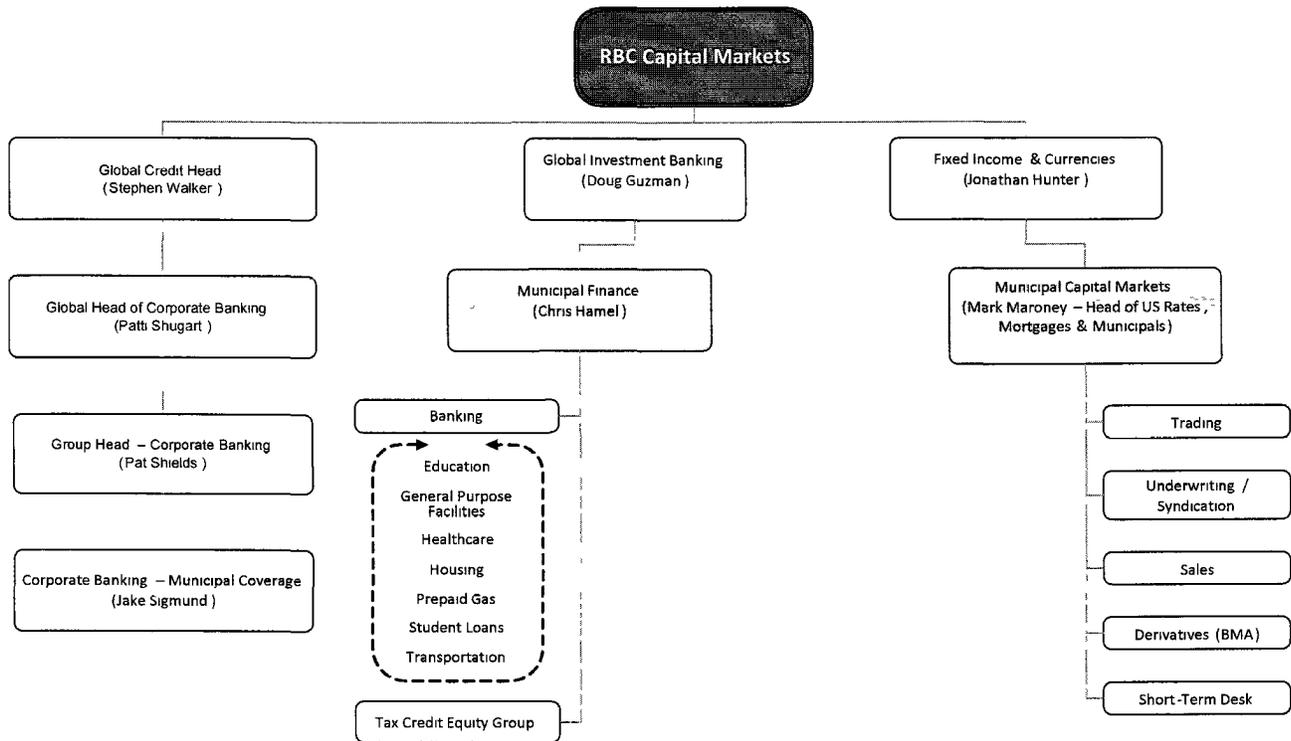
RBC is a publicly-traded global financial services company. RBC has distinguished itself as one of the few major global financial institutions to have maintained a strong capital position without receiving any governmental funding or support. RBC's balance sheet strength and credit stability have allowed us to be an effective underwriter in difficult market environments, while providing confidence to investors that the firm will continue to provide liquidity and secondary market support. Our capital strength also speaks to our staying power as

RBC Credit Ratings			
	Moody's	Standard & Poor's	Fitch
Royal Bank of Canada	Aa3	AA-	AA
Wells Fargo	Aa3	AA-	AA-
JP Morgan	Aa3	A+	AA-
Barclays	A2	A+	A
Citi	A3	A	A
Bank of America	A3	A	A
Morgan Stanley	A3	A	A
Goldman Sachs	A3	A-	A

a broker-dealer providing financial advisory and underwriting services to municipal entities. Given our capital position, RBC maintains some of the highest ratings of any major North American bank and the highest of any bank active in the municipal market. This was reflected in August 2013, as RBC was **ranked 2nd in North America** and **15th in the World** in a *Global Finance* piece titled **"The World's 50 Safest Banks"**. In May 2013, *Bloomberg Business Week* ranked RBC as the **4th Strongest Bank in the World**. RBC's rating compared with other major institutions active in the municipal market is illustrated in the accompanying chart.

A key beneficiary of RBC's investment in its US platform is RBCCM's Municipal Finance group. RBCCM is organized to provide investment banking and securities sales, trading and underwriting services to issuers of, and investors in, tax-exempt and taxable debt securities. As depicted in the chart below, Debt Markets is comprised of the Sales, Trading and Underwriting Departments and Global Investment Banking and Equity Markets is comprised of Investment Banking.

Exhibit A



Municipal Finance encompasses 285 individuals located in 23 offices throughout the country, including Phoenix. This includes 251 investment banking professionals, 9 of which are located in Arizona, and 57 municipal sales specialists, traders and underwriters.

Municipal Finance Group Structure

RBCCM provides our municipal clients with a full complement of services, including financial advisory services, traditional investment banking, underwriting, remarketing, derivatives counterparty, investment advisory, investment products and balance sheet solutions (including direct lending and direct purchases). The growth of our municipal finance practice has been built upon maintaining significant banking offices in select, major population centers across the country. These core market offices are staffed with municipal finance bankers that have significant expertise coupled with considerable knowledge of their specific market's economy, demographics and public finance laws. Through organizing our banking network in this fashion, we find that our core market bankers are more attuned to our clients' needs and issues as well as being more accessible to local issuers.

Complementing our regional banking focus, the Firm's Municipal Finance practice also is organized into core specialty sectors. These specialty areas require a more specific level of banking knowledge and expertise than a generalist investment banker can provide to truly meet clients' unique needs in these areas. Our specialty sector bankers are among the best in the country in their respective fields. RBCCM specialty banking teams work in conjunction with our locally based bankers to ensure that we provide the highest level of expertise and service in the industry.

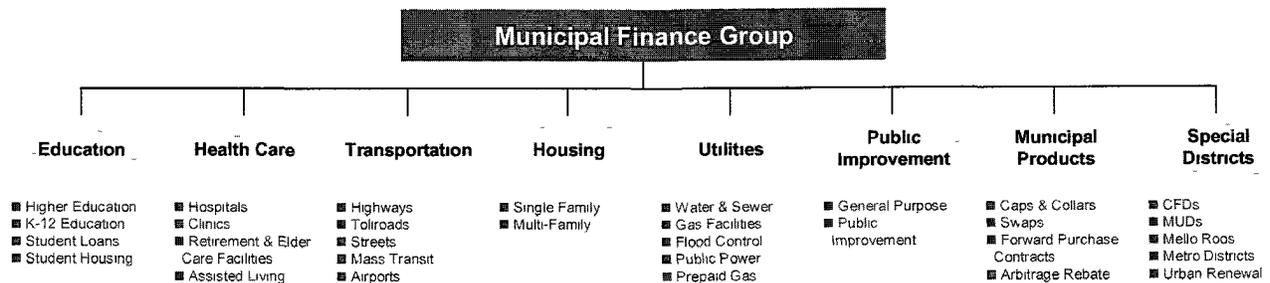


Exhibit A

This organizational structure allows RBCCM to utilize all of its available resources and expertise to provide our clients with the platform necessary to best execute future financings

Financial Advisory Experience and Expertise

Since its inception, RBCCM and its predecessor firms have always maintained a very prominent and extensive financial advisory practice. Unlike many of our large Wall Street competitors who generally don't provide financial advisory services to local governments, RBCCM has historically provided this service due to our far more decentralized approach to servicing the needs of municipal issuers. That approach, which involves locating investment banking offices in 27 locations across the United States, is focused on embedding our investment bankers in local communities where they are much more available to the clients they serve, as well as a part of the same community. As a result of this geographic and organizational structure, RBCCM is well positioned to provide the strong banking relationship and interaction that a successful and valuable financial advisory relationship requires.

National Financial Advisory League Table					
Negotiated & Competitive: Full Credit to Each Advisor					
01/01/2009 - 12/31/2013					
Firm	Par Amount (US\$ mil)	Rank	Mkt. Share	# of Issues	
Public Financial Management Inc	312,233.1	1	17.4	4,492	
Public Resources Advisory Group	188,765.1	2	10.5	736	
FirstSouthwest	132,274.7	3	7.4	3,264	
A/C Advisory Inc	57,514.5	4	3.2	226	
Lamont Financial Services Corp	54,952.8	5	3.1	246	
Acacia Financial Group Inc	49,974.5	6	2.8	636	
Montague DeRose & Associates LLC	38,525.0	7	2.2	161	
Piper Jaffray & Co	37,706.6	8	2.1	1,156	
RBC Capital Markets	36,294.5	9	2.0	918	
Kaufman Hall & Associates Inc	35,077.6	10	2.0	330	
Top 10 Firms	943,318.4	-	52.7	12,165	
Industry Total	1,793,263.0	-	100.0	58,210	

Source: Thomson Reuters Date: 03/26/2014

This strategic focus, coupled with the top expertise and experience of our financial advisory bankers and the national capabilities and resources of a leading Wall Street firm, has continued to keep RBCCM among the top financial advisory firms in the country. As reflected in the chart on this page, for the five-year period from 2009 through 2013, RBCCM was ranked 9th nationally in providing financial advisory services to municipal issuers.

Arizona Financial Advisory Experience

In addition to our experience as a top national financial advisor, RBCCM has over eight decades of experience in Arizona, far longer than any other firm in the State. Since RBCCM began serving Arizona issuers in 1931, the firm has continuously provided municipal investment banking and financial advisory services to virtually every municipality (city, county, school district, community college district, state agency, special district, etc.) in the State. With this longevity, it is not surprising that RBCCM consistently ranks as the foremost firm providing financial advisory services in Arizona. Staffed with 11 professional and support personnel, RBCCM's public finance practice is the largest of any firm located in the State. Given the depth of our local resources, we are able to offer, and actually provide, more timely service and more experienced personnel than any of our competitors. **During the period of January 1, 2009 to December 31, 2013, RBCCM provided financial advisory services on 64 separate bond sales across all regions of Arizona totaling over \$6.8 billion, which ranks 1st for that 5 year period.** As the chart above illustrates, RBCCM was once again ranked number one for financial advisory services in Arizona during calendar year 2013.

RBC CM Arizona Financial Advisory Rankings			
For Calendar Years 2009 through 2013			
	Rank	Par Amount	# of Issues
2013	1	1,390.40	12
2012	1	680.90	11
2011	1	1,171.90	10
2010	1	2,099.40	14
2009	2	1,527.10	17

Source: Thomson Reuters Date: 03/26/2014

Staffed with 11 professional and support personnel, RBCCM's public finance practice is the largest of any firm located in the State. Given the depth of our local resources, we are able to offer, and actually provide, more timely service and more experienced personnel than any of our competitors. **During the period of January 1, 2009 to December 31, 2013, RBCCM provided financial advisory services on 64 separate bond sales across all regions of Arizona totaling over \$6.8 billion, which ranks 1st for that 5 year period.** As the chart above illustrates, RBCCM was once again ranked number one for financial advisory services in Arizona during calendar year 2013.

Recent Growth of RBCCM's Public Finance Department

While many firms have downsized or eliminated their municipal finance and markets businesses, staffing in RBC's Municipal Bond Department has grown 267% over the last 10 years. RBCCM's municipal finance group employs 251 investment banking professionals and 34 support staff and our municipal markets sales, trading and underwriting group employs 57 professionals – the largest commitment to municipal banking, sales, trading and underwriting in the nation. In the past five years, RBCCM has hired over 76 public finance bankers from other major Wall Street firms, including UBS, JP Morgan, Goldman Sachs, Citigroup, Morgan Stanley, the former Bear



Exhibit A

Stearns and the former Lehman Brothers The accompanying chart illustrates the headcounts of the Municipal Finance department

Municipal bonds represent RBCCM's largest U S capital markets business line and are a cornerstone of our U S business strategy which is focused primarily on continued growth in Capital Markets and Wealth Management In addition to our extensive underwriting practice, we are one of the major credit providers to our U S governmental and not-for-profit clients Our credit exposure to the U S municipal market

RBCCM Municipal Finance Headcount				
Investment Banking / Sales, Trading, Underwriting and Products				
	12/31/2010	12/31/2011	12/31/2012	12/31/2013
Managing Director	55	51	53	54
Director	42	42	47	51
Vice President	57	57	48	52
Associate	52	51	52	53
Analyst	36	47	31	41
Administrative Assistant	31	33	29	34
Total	273	281	260	285

now totals over \$16.1 billion—up from \$5.73 billion in 2009. Our commitment to Arizona issuers dates back to 1931 with the founding of Refsnes, Ely, Beck & Co. as a Phoenix based regional brokerage firm and our commitment to public finance is demonstrated by our past performance, as a consistent leader.

Commitment to Public Finance

RBCCM is one of the largest and most active firms in the municipal market. In addition to our national financial advisory practice detailed in this proposal, RBCCM is also one of the top underwriting firms in the municipal banking industry. For example, in calendar year 2013, RBCCM was the fifth-ranked lead underwriter of negotiated municipal offerings by par value and the first-ranked lead underwriter by number of issues, as seen in the accompanying charts. The firm has been the most active lead manager for negotiated issues twelve of the past thirteen years. While RBCCM will not serve as a bond underwriter to the City during the time period we are engaged to be its financial advisor, **it is important to understand that a benefit of maintaining our role as one of the most active underwriting firms is that RBCCM has more frequent contact with all classes of investors, which translates into more experienced sales, trading and underwriting teams, and more knowledgeable financial advisory bankers who truly know the market.** Superior market intelligence results from this frequency of underwriting activity and as a result, the most accurate pricing guidance for both our financial advisory and underwriting clients, and best possible execution/lowest interest rates for our underwriting clients' transactions.

National Lead Manager League Table by Par Amount				
Negotiated: True Economics to Book Manager				
01/01/2013 - 12/31/2013				
Firm	Par		Mkt. Share	Number of Issues
	Amount (US\$ mil)	Rank		
Bank of America Merrill Lynch	29,885.0	1	12.3	260
Citi	28,255.9	2	11.7	263
J P Morgan Securities LLC	27,468.1	3	11.3	234
Morgan Stanley	17,634.2	4	7.3	144
RBC Capital Markets	16,379.0	5	6.8	532
Goldman Sachs & Co	16,365.1	6	6.8	87
Barclays	12,710.7	7	5.2	105
Wells Fargo & Co	12,266.0	8	5.1	152
Piper Jaffray & Co	8,685.0	9	3.6	458
Raymond James	8,163.3	10	3.4	291
Industry Total	242,475.6	-	100.0	6,742

Source: Thomson Reuters. Date: 03/26/2014

National Lead Manager - by # of Issues				
Negotiated: True Economics to Book Manager				
01/01/2013 - 12/31/2013				
Firm	Number of Issues	Mkt. Rank	Par	
			Share	Amount (US\$ mil)
RBC Capital Markets	532	7.9	-	16,379.0
Stifel Nicolaus & Co Inc	472	2	7.0	7,826.3
Piper Jaffray & Co	458	3	6.8	8,685.0
D A Davidson & Co	345	4	5.1	1,938.1
Raymond James	291	5	4.3	8,163.3
Robert W Baird & Co Inc	281	6	4.2	3,207.7
Citi	263	7	3.9	28,255.9
Bank of America Merrill Lynch	260	8	3.9	29,885.0
J P Morgan Securities LLC	234	9	3.5	27,468.1
Ameritas Investment Corp	213	10	3.2	718.7
Industry Total	6,742	-	100.0	242,475.6

7.2.C. Offeror shall provide address of the Offeror's main office and any satellite offices.

RBC Capital Markets' main office, and the main office for our municipal finance and municipal advisory services, is located in New York City at the address noted below. As a major financial services firm, RBC Capital Markets has many offices spread across the United States, Canada and the rest of the world that house employees in all of the various business lines that we pursue within our capital markets business. We have provided below the addresses



Exhibit A

of our Municipal Banking offices throughout the United States as these are most responsive to the State's solicitation

RBC Capital Markets – Main Office

3 World Financial Center
200 Vesey Street
New York, NY 10281-8098

RBC Capital Markets – Satellite Offices

2398 East Camelback Road, Suite 700
Phoenix, AZ 85016

777 South Figueroa Street, Suite 850
Los Angeles, CA 90017-5852

Two Embarcadero Center, 12th Floor
San Francisco, CA 94111

1801 California Street, Suite 3850
Denver, CO 80202

1650 Prudential Drive, Suite 101
Jacksonville, FL 32207

100 2nd Avenue S, Suite 800
St Petersburg, FL 33701

500 West Madison Street, Suite 300
Chicago, IL 60661

225 Franklin Street, 21st Floor
Boston, MA 02110

100 Light Street, Suite 2410
Baltimore, MD 21202

60 South 6th Street, 15th Floor
Minneapolis, MN 55402

25 Hanover Road, 3rd Floor
Florham Park, NJ 07932

6301 Uptown Boulevard NE, Suite 110
Albuquerque, NM 87110

455 Patroon Creek Boulevard
Albany, NY 12206

255 East Fifth Street
Cincinnati, OH 45202

101 Oregon Pike
Lancaster, PA 17601

130 North 18th Street
Philadelphia, PA 19103

345 Wyoming Avenue, Suite 205
Scranton, PA 18503

200 Crescent Court, Suite 1500
Dallas, TX 75201

1001 Fannin Street, Suite 1200
Houston, TX 77002

303 Pearl Parkway, Suite 220
San Antonio, TX 78215

299 South Main Street, Suite 2000
Salt Lake City, UT 84111

1918 8th Avenue, Suite 3600
Seattle, WA 98101

7.2.D. Offeror to provide an organizational chart, which clearly shows the reporting and lines of authority, to include all proposed key personnel with their title and any proposed subcontractors. The organizational chart shall also list prime point of contact between the Proposers and the State of Arizona

RBC Capital Markets has the largest and most experienced investment banking team in Arizona, covering every type of issuer and credit. While the primary members of the State of Arizona's service team are Kurt Freund, Nick Dodd and Megan Wienand, all of the individuals listed are located in Phoenix and within fifteen minutes of the State's offices. These individuals and their supporting teams also provide financial advisory services to issuer clients across the State of Arizona. Mr. Freund has participated in every debt issuance of the Arizona Department of Transportation and Arizona Department of Administration since 1989. He has also participated as an underwriter on financings for the School Facilities Board and the Water Infrastructure Finance Authority, and co-authored the original study leading to the creation of the Greater Arizona Development Authority. Mr. Freund also provides financial advisory services to many other issuers across the State, including all three of the State's universities as well as Maricopa County Community College District. Given his significant involvement in most debt issuances that have been undertaken by State level agencies over the past twenty-five years, as well as his active



Exhibit A

RBC Capital Markets Arizona Banking Team
Kurt Freund, Managing Director
John Snider, Managing Director
Jeffrey Wagner, Managing Director
Nick Dodd, Director
William Wildman, Director
Megan Wienand, Vice President
Phong Pham, Vice President
Loren Morales, Associate
Kathryn Pong, Associate
Austin Lahr, Analyst

role advising the Governor's office and legislative leadership on financing matters, he is able to provide experience and expertise above and beyond that of a typical senior financial advisor. Mr. Freund also oversees the RBC Capital Markets national Financial Advisory Group as well as manages all of the bankers and other employees in the Arizona municipal market of RBCCM.

Mr. Dodd also has significant experience with State and State level financings. Mr. Dodd provided investment banking, analytical and financial modeling support to the State for over 8 years and with Mr. Freund has been the primary senior contact for all of the financings that the State and State level issuers have completed in the past three years totaling over \$2 Billion. Mr. Snider, another senior banker in the firm's Phoenix office and a specialist in local school finance in Arizona, has been with RBC Capital Markets in the Phoenix office for twenty-five years. During that time period, Mr.

Snider has provided additional support on several of the State's financings, as well as for a number of other State level issuers. Jamie Durando, RBC Capital Markets' senior municipal underwriter, brings over 25 years of municipal bond industry experience to the team, including considerable knowledge of how debt obligations price and investor market for Arizona issues. This knowledge is put to work in assisting all of our financial advisory clients in the pricing and sale of their debt financings.

In addition to these members of the team, RBC Capital Markets Phoenix office houses specialty bankers who work with other State level agencies or authorities, as well as all of the various political subdivisions throughout the State. For example, Bill Wildman, a housing and charter school specialist, has served as financial advisor to the Arizona Housing Finance Authority. Megan Wienand, a K-12 education specialist, works with many school districts and charter schools across Arizona. The rest of our banking team provides the analytical and processing support in working with all of our financial advisory clients.

The individuals responsible for providing financial advisory services to the State have significant experience in all areas of municipal finance, but are particularly knowledgeable about Arizona public finance, the State Constitution and applicable statutes, Agency rules and the local and state economy. Their experience covers all types of fixed rate and variable rate issues, as well as taxable and tax-exempt issues. While these individuals will provide the primary banking relationship to the various Agencies, the full banking resources of RBC Capital Markets are available to the State and political subdivisions in the state, and will be called upon on a case-by-case basis as needed for any given financing or any given issuer.

Supporting the efforts of the primary team on an as needed basis will be several other members of RBC Capital Markets' Municipal Finance Group. This group consists of other professionals throughout the RBC Capital Markets municipal finance system who have demonstrated expertise in providing financial advisor and investment banking services to state, local government and pooled borrowers around the nation. Key members in the Western United States include Paul Cassidy, Managing Director, Albuquerque, Matt Boles, Managing Director, Dallas and Jon Moellenberg, Managing Director, Denver. Their knowledge of financing techniques and mechanisms being used in other states is a valuable resource RBC Capital Markets provides to the State.

Some of the major state-level issuers that the bankers throughout the RBC Capital Markets system have served as financial advisor include:

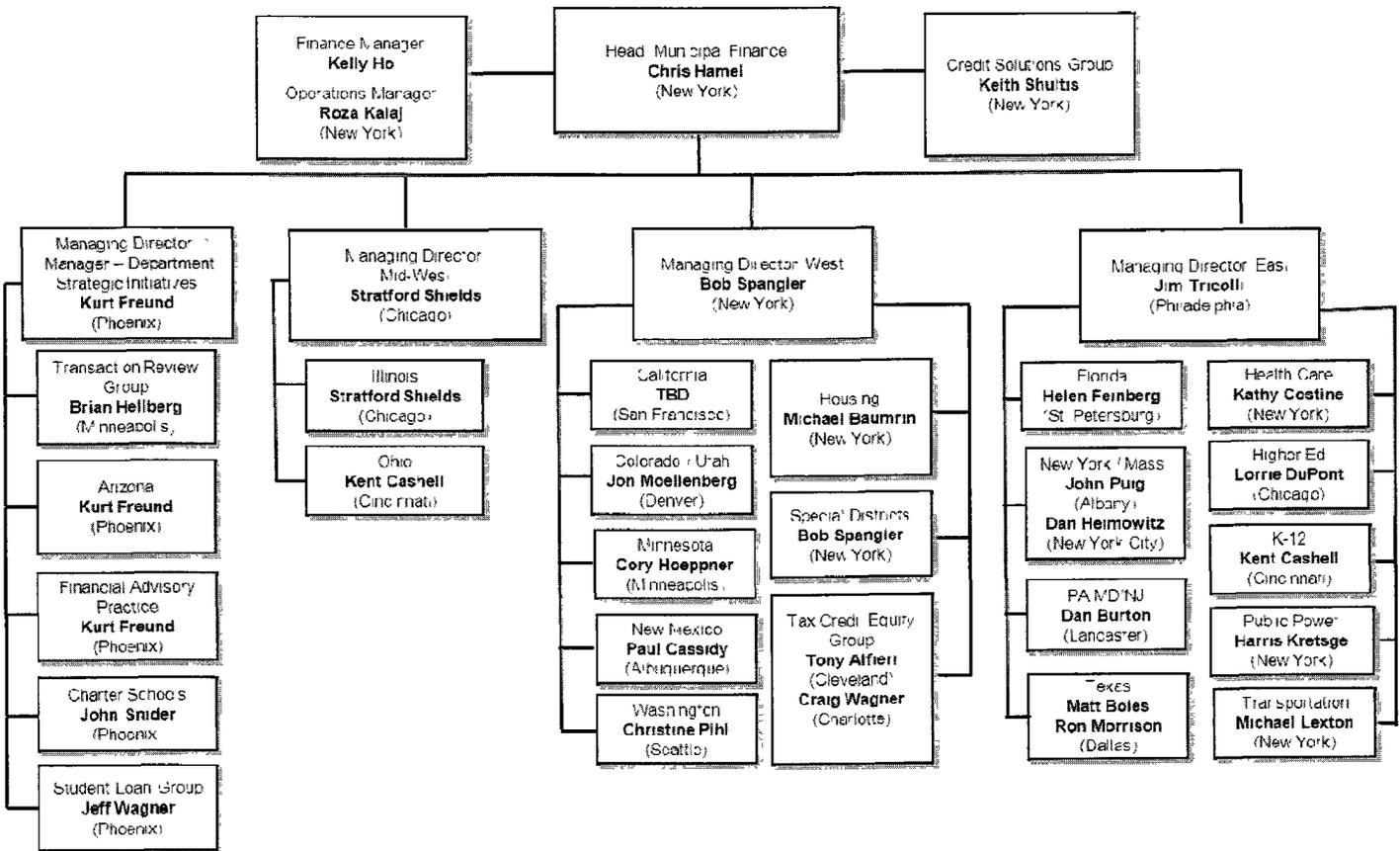
- Arizona Department of Administration
- Arizona Department of Transportation
- Arizona State University
- Northern Arizona University
- University of Arizona
- Arizona Board of Regents
- Maricopa County Community College District
- Arizona Tourism and Sports Authority
- Arizona Housing Finance Authority
- Arizona Health Facilities Authority
- California Community College Financing Authority
- California Statewide Communities Development Authority
- Colorado Student Obligation Bond Authority
- Colorado Education Loan Program
- Colorado Department of Transportation
- State of Connecticut
- Connecticut Higher Education Supplemental Loan Authority
- State of Florida
- Florida Housing Finance Corporation
- State of Idaho

Exhibit A

- State of Illinois
- Indiana Bond Bank
- Kansas Development Finance Authority
- State of Michigan
- Mississippi Home Corporation
- Missouri Highways and Transportation Commission
- State of New York
- New York State Dorm Authority
- North Carolina State Educational Assistance Authority
- Ohio Housing Finance Agency
- Ohio Water Resources Board
- Ohio State Bond Bank
- Pennsylvania Higher Education Assistance Agency
- State of Texas
- Texas Department of Housing and Community Affairs
- Texas Veterans Land Board
- Texas Turnpike Authority
- State of Wyoming

While not requested in the State's Solicitation, we have included brief resumes for the primary banking team members in Appendix B of these materials

Provided below is an organization chart that outlines the reporting relationships within our Municipal Banking Department. Note that both the firms' national Financial Advisory Practice Group and the Arizona Municipal Banking office of RBCCM report to Kurt Freund, the lead contact for the State's solicitation



7.2.E. Offeror shall include proposed subcontractors, their contact information, certifications required for the performance of the Contract, as well as, the Subcontractor's proposed responsibilities under the Offeror's proposal

Please see the attached Subcontractors List form wherein we have indicated that RBC Capital Markets does not intend to use any subcontractors in providing services under this Solicitation of the State



Exhibit A

7.2.F. Offeror to list three (3) current contracts, including contact information, dollar amount of contract, services provided, and any contract non-performance issues in the appropriate area of the solicitation. In-state and/or government contracts are preferred.

Please see the attached Offeror's Current Contracts forms

7.2.G. Offeror shall disclose any litigation, investigations or actions pending or threatened against the firm or any individual associated with the firm by the United States Securities and Exchange Commission regarding the conduct of firm or its management in the last three years

RBC Capital Markets, LLC is a wholly owned indirect subsidiary of Royal Bank of Canada. Our response to this question is limited to matters involving the Municipal Markets business of RBC Capital Markets, LLC, the broker-dealer through which we conduct our municipal underwriting and financial advisory activities, as this is most responsive to the State's solicitation. RBC Capital Markets, LLC ("RBCCM") is an indirect, wholly-owned subsidiary of Royal Bank of Canada, a large global institution subject to many different legal and regulatory requirements in the United States, Canada and other jurisdictions. From time to time, RBCCM is a defendant or respondent in various litigations and arbitrations that arise in the ordinary course of business. RBCCM complies fully with its regulators in all litigations and arbitrations and in all settlements. RBCCM reaches The Financial Industry Regulatory Authority ("FINRA"), in furtherance of its responsibilities as the securities industry's self-regulatory organization pursuant to Section 15A(i) of the Securities Exchange Act of 1934, maintains a public database on registered broker-dealers and their associated persons known as BrokerCheck (<http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>). The information made available through BrokerCheck is derived from the Central Registration Depository (CRD®), the securities industry online registration and licensing database. Information in CRD is obtained through forms that broker-dealers, their associated persons and regulators complete as part of the securities industry registration and licensing process, and to comply with comprehensive disclosure obligations imposed by FINRA and other regulators. RBCCM generally does not disclose litigations, arbitrations, or settlements except as required through CRD, and RBCCM makes no representations as to the existence or non-existence of any such litigations, arbitrations, or settlements beyond what is available through CRD. To the extent material to the financial results of Royal Bank of Canada, any litigation, arbitration, or settlement involving RBCCM also is disclosed in Royal Bank of Canada's financial statements, which may be obtained by visiting www.rbc.com/investorrelations/

7.2.H. Offeror is to describe its compliance related to the SEC Municipal Advisor regulations.

As one of the largest firms providing financial advisory and bond underwriting services to the municipal industry in the country, RBCCM takes our compliance with the laws, rules and regulations governing our industry very seriously. Given the very significant number of licensed and regulated people we employ and the significant regulated financial businesses we operate, RBCCM employs a full complement of regulatory licensing specialists, regulatory compliance specialists, and both internal and external regulatory lawyers to ensure our licensing and regulatory compliance efforts are fully addressed. Complementing these resources, we also maintain a Director of Policies and Procedures and a Transaction Review Group within our Municipal Banking Department who focus specifically on all of the regulatory issues that directly affect municipal finance and who directly report to Mr. Freund as a member of the Department's senior management and operating committee for the Municipal Banking Department.

Regarding the SEC's Municipal Advisor Rules, RBCCM has been at the forefront of firms in the industry in monitoring these Rules as they were developed by the SEC over the past 4 years, and in creating internal policies and procedures to ensure we are in compliance with the Rules. Dating back to the initial draft of the Rules released by the SEC in 2010, we have actively participated in discussions of the Rules, and in providing comments on the Rules, with industry groups, SEC commissioners and their staff and members of the Municipal Securities Rulemaking Board. We have also spoken extensively regarding the Rules at industry conferences including several for Arizona issuers. With the final release of the Rules last fall, RBCCM also developed extensive internal policies and procedures to guide our bankers' work efforts and interactions with issuers to ensure we are fully compliant with all aspects of the Rules. As part of this effort, we have held multiple extensive training sessions with all of RBCCM's bankers so that they are fully conversant with the requirements of the Rules and can advise the clients and potential clients with whom they interact of what the Rules require and the steps an issuer may want to take in light of the Rules. These include all of the provisions concerning the definition of a "municipal advisor" under the Rules, what constitutes "advice" versus "general information", what exemptions are available to underwriters in

Exhibit A

providing “advice”, provisions regarding an issuer’s use of the Independent Registered Municipal Advisor exemption, and many other provisions. We continue to stay abreast of all of the regulatory changes regarding the Rules including additional guidance that the SEC has provided to regulated entities, as well as the ongoing efforts of the Municipal Securities Rulemaking Board to develop their Rules over the next 6 to 18 months that provide even more specific regulatory requirements regarding the SEC’s Municipal Advisor Rule.

7.3 PRICING

7.3.A. Offeror shall provide pricing for Financial Advisor Services Statewide in accordance with all specifications in the Scope of Work, Terms and Conditions and Special Terms and Conditions for the entire term of this contract.

Please see Attachment I, Price Schedule under “Offer Forms and Certifications” herein

7.3.B. To submit pricing, Offeror’s shall follow all instructions stated on Attachment i, Price Schedule.

Please see Attachment I, Price Schedule under “Offer Forms and Certifications” herein



Exhibit A

Banking Team Resumes

APPENDIX A



Exhibit A

Primary Banking Team	
<p>Kurt Freund <i>Managing Director</i> (602) 381-5365 kurt.freund@rbccm.com</p>	<p>Expertise: State specialist/transportation/higher education/generalist Experience: Mr. Freund is a Managing Director for RBC Capital Markets, LLC, the Manager of the firm's Arizona municipal banking operations and a member of the firm's Municipal Banking Management Committee. Mr. Freund is among the most experienced investment bankers working in the municipal finance arena and has extensive experience across a broad range of municipal financing structures. He has worked with virtually all types of issuers and political subdivisions over a career in the municipal bond industry that spans more than 25 years. During that time, he has led financings for state agencies, counties, cities, public universities, community colleges, nonprofit hospitals and a number of special financing authorities. Among the municipal entities he works extensively with in Arizona are the Governor's Office and many of the large State agencies, including the Arizona Department of Transportation, the Arizona Department of Administration, as well as all three of Arizona's public universities. Over the many years he has been in the business, Mr. Freund has developed and successfully completed many public/private partnership financings for facilities such as the University of Phoenix Football Stadium, several Cactus League baseball facilities, various mixed use developments and many other local development projects.</p> <p>Prior to becoming an investment banker, Mr. Freund served in a senior staff role for seven years with the Arizona State Senate, including as the Senior Financial Advisor to the Senate where he was responsible for drafting and analyzing legislation concerning statewide tax and expenditure policy. He has developed and drafted many Arizona statutory provisions, and is regularly called upon by the Governor's Office and the Legislative leadership and staff to provide input and advice on legislation and public policy issues.</p> <p>Mr. Freund is registered with the Financial Industry Regulatory Authority, Inc. and maintains Series 7, 24, 52, 53, 63 and 79 securities licenses. He holds a Bachelor's degree in economics from Arizona State University.</p>
<p>John Snider <i>Managing Director</i> (602) 381-5361 john.snider@rbccm.com</p>	<p>Expertise: K-12 education specialist/higher education/generalist Experience: Mr. Snider joined RBCCM in 1989 and since that time has been involved with over \$10 billion in municipal bond financings for a variety of cities, counties, special districts, charter schools, school districts, universities and state agencies. While Mr. Snider has a wide variety of experience, his primary area of expertise has been financing for K-12 education borrowers, including charter schools.</p> <p>Mr. Snider heads RBC Capital Markets' Charter School Finance Group. Since 2000, RBC Capital Markets has financed in excess of 100 charter school projects for over 50 charter school organizations, securing over \$1.5 billion for acquisition, construction, renovation, leasehold improvements, refinancing and related costs for charter schools. RBC Capital Markets' Charter School Finance Group has financed charter schools in multiple states, including Arizona, California, Florida, Illinois, Indiana, Massachusetts, New Jersey, North Carolina, Ohio and Texas. Mr. Snider has served as RBC's lead banker for Aspire Public Schools, BASIS Schools and Great Hearts Academies, among others.</p> <p>Outside of the K-12 education area, high profile bond financings lead and completed by Mr. Snider include \$350 million of research facilities for the University of Arizona and \$450 million for the Arizona Sports and Tourism</p>



Exhibit A

	<p>Authority's share of the home stadium of the NFL Arizona Cardinals and MLB spring training facilities</p> <p>Mr Snider's community involvement includes sitting on several boards, including serving on the executive committees and as Board Chair of the Phoenix Boys Choir Association and Arizona School for the Arts, an excelling Arizona charter school, as well as being a member the board and advisory committee of the Arizona Charter School Association</p> <p>Mr Snider received his Bachelor's of Science degree in finance from Arizona State University, graduating summa cum laude, and his Masters in Business Administration from the University of Chicago He is registered with FINRA and maintains Series 7, 63 and 79 securities licenses</p>
<p>Jeffrey Wagner <i>Managing Director</i> (602) 381-5369 jeff.wagner@rbccm.com</p>	<p>Expertise: Education loan specialist Experience: Mr Wagner is a Managing Director in the Municipal Finance Group of RBC Capital Markets, LLC and divides his time between the firm's offices in Phoenix and Los Angeles He has primary coverage responsibility for the firm's student loan clients, as well as for several colleges and universities in California</p> <p>He has completed over \$48 billion in financings on behalf of 35 separate organizations since 1986, including state agencies, nonprofit organizations and private colleges and universities, and is responsible for introducing numerous new financing products, debt structuring techniques and computer modeling innovations His current clients include the Utah State Board of Regents, Minnesota Office of Higher Education, Pennsylvania Higher Education Assistance Agency, Midwestern University, New Hampshire Higher Education Loan Corporation, Alaska Student Loan Corporation and NorthStar Education Finance</p> <p>Mr Wagner is a registered securities representative, currently holding Series 7, 63 and 79 licenses, and holds a B S in Business Administration from the State University of New York at Albany, with concentrations in Finance and Management Information Systems, and an M B A in Finance from Columbia University's Graduate School of Business</p>
<p>Nick Dodd <i>Director</i> (602) 381-5360 nick.dodd@rbccm.com</p>	<p>Expertise: State specialist/higher education/generalist Experience: Mr Dodd is a Director in the Phoenix Municipal Finance office of RBC Capital Markets</p> <p>Mr Dodd joined RBC Capital Markets in 2001 Prior to joining the firm he spent a year with A G Edwards & Sons, Inc and three years with a regional municipal bond underwriter in California During this time, he has participated in the issuance of over \$10 billion in municipal bonds Mr Dodd has served as lead banker or co-lead banker to a wide variety of issuers with his primary responsibilities including all aspects of client management, debt structuring and transaction execution</p> <p>Mr Dodd has been involved with financings for a number of state agencies including the Arizona Department of Administration, the Arizona Department of Transportation and the Arizona School Facilities Board Mr Dodd is very active working with cities and towns in Arizona including the cities of Phoenix, Mesa, Tucson, Tempe, Chandler, Gilbert and Casa Grande to name a few Mr Dodd is active in the higher education sector having worked with a number of universities in the western United States including Arizona State University, the</p>



Exhibit A

	<p>University of Arizona, Northern Arizona University, the University of Utah and Midwestern University as well as almost every community college district in the State of Arizona. Finally, Mr. Dodd is a member of RBC Capital Markets special district sector and covers all CFD and related special district financings for the firm within the State of Arizona.</p> <p>Mr. Dodd is involved in various community boards and associations including Arizona Government Finance Officers Association, Arizona City and County Managers Association and Arizona Town Hall. Mr. Dodd is a past member of The Gilbert Public Facility Municipal Property Corporation.</p> <p>Mr. Dodd holds a Bachelor of Science degree in Finance from Southern Illinois University. Mr. Dodd is currently registered with FINRA with his Series 7, 63 and 79 securities licenses.</p>
<p>William Wildman <i>Director</i> (602) 381-5364 william.wildman@rbccm.com</p>	<p>Expertise: Housing specialist/charter school finance Experience: Mr. Wildman has 30 years experience in municipal finance serving as senior manager on over \$12 billion in transactions. His areas of concentration include charter schools and affordable housing. In 2010, two transactions on which Mr. Wildman was the lead banker received recognition by The Bond Buyer among the 11 "Deal of the Year" regional winners. This was the first time charter school transactions had received this recognition.</p> <p>Mr. Wildman's clients include charter schools throughout the country as well as various affordable housing developers in Arizona.</p> <p>Mr. Wildman is a graduate of the University of Colorado and holds a master's degree from Colorado State University. He served for 10 years on the Board of Trustees of the Colorado Springs School, a private K-12 school in Colorado. Prior to entering the municipal finance sector, Mr. Wildman was the planning director for El Paso County, Colorado (Colorado Springs). He is registered with FINRA and maintains Series 7, 63 and 79 securities licenses.</p>
<p>Megan Wienand <i>Vice President</i> (602) 381-5367 megan.wienand@rbccm.com</p>	<p>Expertise: K-12 education specialist Experience: Since joining RBCCM in 2001, Ms. Wienand has worked with a variety of issuers within the State, with the majority of her experience in the K-12 education sector. Ms. Wienand is the lead banker for RBCCM's Arizona school district financing group. She has represented most of the major school District issuers in the State including the District, Deer Valley, Paradise Valley, Tucson, Kingman, Flowing Wells and Mesa Unified School Districts and Pendergast, Fowler, Laveen, Madison, Creighton, Tempe and Litchfield Elementary School Districts.</p> <p>Prior to joining RBCCM in 2001, Ms. Wienand worked in Public Finance for Ernst & Young LLP. During her three years at Ernst & Young, she worked in the Arbitrage Rebate Group on municipal financings with issuers from more than fifteen states. In that role, she developed both new money and refunding issue experience in cash flow analysis and investment of bond proceeds.</p> <p>Ms. Wienand graduated from the University of Arizona with Bachelor of Science degrees in both Accounting and Finance. Ms. Wienand is a registered securities representative currently holding Series 7, 53, 63 and 79 licenses. Ms. Wienand is active in the community and sits on several boards including the Boards of the Phoenix Public Library Foundation and the Madison Education Foundation.</p>



Exhibit A

<p>Phong Pham <i>Vice President</i> (602) 381-5370 phong.pham@rbccm.com</p>	<p>Expertise: Generalist/land-based financings Experience: Mr Pham is a Vice President in the Arizona Municipal Finance office of RBC Capital Markets</p> <p>Mr Pham joined RBC Capital Markets in the Phoenix office in 2006. Prior to joining the firm, Mr Pham worked in the public finance group of a regional investment bank and has over 15 years of combined accounting and finance experience.</p> <p>Mr Pham provides quantitative and analytical expertise, transaction support and has extensive experience in the structuring of bond transactions including performing cashflow and tax rate analysis. Mr Pham has also been involved in various general governmental bond transactions including general obligation bonds, excise/sales tax revenue bonds, utility revenue bonds, traditional and charter school district bonds, and special district bonds. Mr Pham has been involved in over 35 Community Facilities District (CFD) transactions totaling over \$255 million par amount of bonds including some of the largest CFD transactions completed in Arizona. In addition, he has also served a number of Arizona issuers including City of Phoenix, City of Tucson, City of Flagstaff, City of Mesa, City of Scottsdale, City of Prescott, Greater Arizona Development Authority, and Arizona Water Infrastructure Financing Authority, to name a few.</p> <p>Mr Pham is formerly a Certified Public Accountant having previously worked for the State of Michigan Office of the Auditor General and Deloitte & Touche LLP. Mr Pham holds a Bachelor's degree in accounting from Grand Valley State University and is currently registered with FINRA with his Series 7, 52, 63 and 79 securities licenses.</p>
<p>Kathryn Pong <i>Associate</i> (602) 381-5359 kathryn.pong@rbccm.com</p>	<p>Expertise: State specialist/higher education/generalist Experience: Ms Pong is an Associate in the Arizona Municipal Finance office of RBC Capital Markets</p> <p>Ms Pong joined RBCCM in 2010. Prior to joining the firm, Ms Pong worked at a regional investment banking firm for almost three years. Ms Pong has provided analytical services to various bond transactions including general obligation bonds, excise, utility and lease revenue bonds.</p> <p>Ms Pong received her Bachelor of Science degree in Medical Technology from the University of Santo Tomas, Manila, Philippines. Ms Pong is currently registered with FINRA with her Series 7, 63 and 79 securities licenses.</p>
<p>Loren Morales <i>Associate</i> (602) 381-5366 loren.morales@rbccm.com</p>	<p>Expertise: State specialist/higher education/generalist Experience: Mr Morales is an Associate in the Arizona Municipal Finance office of RBC Capital Markets</p> <p>Mr Morales joined RBCCM in 2013. Prior to joining the firm, he worked in Public Finance at a Financial Advisor firm in the State of Washington. Mr Morales has provided analytical services to various bond transactions including general obligation bonds, excise tax revenue bonds and various State university financings.</p> <p>Mr Morales received his Bachelor of Arts degree in Economic Theory from the American University in Washington, DC, and his MBA from IE Business School. Mr Morales is currently registered with FINRA with his Series 7, 52, 63 and 79 securities licenses.</p>



Exhibit A

<p>Jamie Durando <i>Managing Director/Co-Head Underwriting</i> New York, NY</p>	<p>Mr Durando is a Managing Director and Head of Municipal Syndication for RBC Capital Markets. His primary responsibilities include RBC Capital Market's underwriting engagements for major transactions nationally. Mr Durando has over 32 years of experience in Municipal underwriting and trading, having directed senior managed transactions in excess of \$65 billion in Municipal debt during his career. Prior to joining RBC Capital Markets in 2006, Mr Durando spent his career at Wachovia Bank and its predecessor organizations where he was a Managing Director and Manager of Municipal Trading and Underwriting.</p> <p>Mr Durando graduated from the University of Delaware in 1980 with a BS-Finance degree and Seton Hall University in 1984 with a MBA-Finance. Mr Durando is currently registered with the Financial Industry Regulatory Authority, Inc ("FINRA") with Series 7, 53, 63 and 79 securities licenses.</p>
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Exhibit A

Subcontractors List

APPENDIX B



Exhibit A

SUBCONTRACTORS LIST

Offeror to list any subcontractors and certifications proposed during the term of this contract. Offeror's shall provide requested information as outlined in Special Instructions of Offeror's, Section 4.9. If no subcontractors are proposed enter N/A next to the Organization Name field.

Subcontractor	
Organization Name.	N/A
Address:	
	<i>Street Address</i>
	<i>City, State, Zip Code</i>
Contact Information	
	Contact Name Phone Number
	Contact Email Address
Description of Services Provided	
Certifications Required (if applicable).	
Description of Services to be Provided	

Exhibit B

	Attachment I – REVISED		State of Arizona State Procurement Office 100 N 15th Ave , Suite 201 Phoenix, AZ 85007
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1. Financial Advisor Services Price Schedule (Attachment I)

Offeror's shall complete Attachment I entitled "**Financial Advisor Services Price Schedule**", and provide all requested information according to the instructions

Attachment I is found in Attachments section of ProcureAZ under the file named "**Financial Advisor Services Price Schedule**"

2. ProcureAZ Electronic System Requirement:

To ensure Offeror submits a valid bid. Offeror shall enter a one (1) dollar in the "Unit Cost" field on the "Items" tab in ProcureAZ, **as a zero (0) will be considered a NO-BID** by the system.

For assistance call the ProcureAZ Help Desk: 602-542-7600

PRICING SCHEDULE – REVISED

The Offeror shall develop and submit six pricing schedules as per Attachment I, using the methodologies described below. In each instance, the Offeror shall indicate the pricing for collateralized, non-collateralized, and pooled structure. Pricing must be provided in an all-inclusive basis.

1. The Offeror shall provide an all-inclusive fee, based on the size, or size range, for financial transactions. Fees shall be stated as a dollar amount.

PRICING SCHEDULE NUMBER ONE:

Per Bond Pricing Structure:

The Offeror shall indicate the fee per \$1,000 of the face value of the financing for each financing transaction undertaken by the Eligible Agency. The Offeror shall indicate any changes in the fee per \$1,000 based on the size of the financing and shall indicate any minimum or maximum fees per financing transaction.

The Offeror shall separately state the fees per \$1,000 for a collateralized structure and for a non-collateralized structure.

The Offeror should also indicate if a price differential is available for transactions subsequent to the first financing.

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A. COLLATERALIZED STRUCTURE PER \$1,000:

<u>Principal Amount of Issue</u>	<u>Fee</u>
<u>Principal amount of series less than \$30 million</u>	<u>\$2 00*</u>
<u>Principal amount of series of \$30 million to less than \$40 million</u>	<u>\$1 80*</u>
<u>Principal amount of series of \$40 million to less than \$50 million</u>	<u>\$1 60*</u>
<u>Principal amount of series of \$50 million to less than \$60 million</u>	<u>\$1 40*</u>
<u>Principal amount of series of \$60 million to less than \$70 million</u>	<u>\$1 30*</u>
<u>Principal amount of series of \$70 million or more</u>	<u>\$1 20*</u>

B. NON-COLLATERALIZED STRUCTURE PER \$1,000:

<u>Principal Amount of Issue</u>	<u>Fee</u>
<u>Principal amount of series less than \$30 million</u>	<u>\$2 00*</u>
<u>Principal amount of series of \$30 million to less than \$40 million</u>	<u>\$1 80*</u>
<u>Principal amount of series of \$40 million to less than \$50 million</u>	<u>\$1 60*</u>
<u>Principal amount of series of \$50 million to less than \$60 million</u>	<u>\$1 40*</u>
<u>Principal amount of series of \$60 million to less than \$70 million</u>	<u>\$1 30*</u>
<u>Principal amount of series of \$70 million or more</u>	<u>\$1 20*</u>

C. POOLED STRUCTURE PER \$1,000:

<u>Principal Amount of Issue</u>	<u>Fee</u>	<u>Incremental Cost per Borrower</u>
<u>Principal amount of series less than \$30 million</u>	<u>\$2 00*</u>	<u>\$10,000</u>
<u>Principal amount of series of \$30 million to less than \$40 million</u>	<u>\$1 85*</u>	<u>\$10,000</u>
<u>Principal amount of series of \$40 million to less than \$50 million</u>	<u>\$1 65*</u>	<u>\$10,000</u>
<u>Principal amount of series of \$50 million to less than \$60 million</u>	<u>\$1 45*</u>	<u>\$10,000</u>
<u>Principal amount of series of \$60 million to less than \$70 million</u>	<u>\$1 35*</u>	<u>\$10,000</u>
<u>Principal amount of series of \$70 million or more</u>	<u>\$1 25*</u>	<u>\$10,000</u>

* The fee per \$1,000 principal amount for collateralized or non-collateralized issues is subject to a minimum fee for fixed rate financings of \$50,000 per financing series, for variable rate financings, the minimum fee is \$60,000 per financing series. The fee per \$1,000 principal amount for pooled financing structures is subject to a minimum fee for fixed rate financings of \$50,000 per financing series, for variable rate financings, the minimum fee is \$60,000. For the initial issuance of any newly created financing, an additional fee of \$30,000 would be charged due to the additional time and effort involved in creating such a new structure or financing program. For issues involving the refunding of existing debt obligations, an additional fee of up to \$25,000 would be charged based on the complexity of the refunding. In all cases, to avoid any perceived conflict and to ensure fees are fair and consistent across all issuers, fees would be calculated against the greater of the par amount or the proceeds of the issue.

Exhibit B

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PRICING SCHEDULE NUMBER TWO (COLLATERALIZED, NON-COLLATERALIZED, AND POOLED):

Hourly Rates: The Offeror shall provide a schedule of hourly rates for each Key Person *who may provide services described in the Scope of Work*. The Offeror shall indicate any minimum or maximum fees for such services or per financing transaction (use a separate sheet if necessary)

A. COLLATERALIZED STRUCTURE:

<u>Name of Key Person & Title</u>	<u>Hourly Rate*</u>	<u>Min/Max Fees per Transaction</u>
<u>Kurt Freund, Managing Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>John Snider, Managing Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>Jeff Wagner, Managing Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>Nick Dodd, Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>Bill Wildman, Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>Megan Wienand, Vice President</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>Phong Pham, Vice President</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>Kathryn Pong, Associate</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>Loren Morales, Associate</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>Austin Lahr, Analyst</u>	<u>\$300 per hour</u>	<u>\$ see below</u>
<u>Jamie Durando, Managing Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>All other senior level bankers</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>All other officer level bankers</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>All other analyst level bankers</u>	<u>\$300 per hour</u>	<u>\$ see below</u>

B. NON-COLLATERALIZED STRUCTURE:

<u>Name of Key Person & Title</u>	<u>Hourly Rate*</u>	<u>Min/Max Fees per Transaction</u>
<u>Kurt Freund, Managing Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>John Snider, Managing Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>Jeff Wagner, Managing Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>Nick Dodd, Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>Bill Wildman, Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>Megan Wienand, Vice President</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>Phong Pham, Vice President</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>Kathryn Pong, Associate</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>Loren Morales, Associate</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>Austin Lahr, Analyst</u>	<u>\$300 per hour</u>	<u>\$ see below</u>
<u>Jamie Durando, Managing Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>

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<u>All other senior level bankers</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>All other officer level bankers</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>All other analyst level bankers</u>	<u>\$300 per hour</u>	<u>\$ see below</u>

C. POOLED STRUCTURE:

<u>Name of Key Person & Title</u>	<u>Hourly Rate*</u>	<u>Min/Max Fees per Transaction</u>
<u>Kurt Freund, Managing Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>John Snider, Managing Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>Jeff Wagner, Managing Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>Nick Dodd, Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>Bill Wildman, Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>Megan Wienand, Vice President</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>Phong Pham, Vice President</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>Kathryn Pong, Associate</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>Loren Morales, Associate</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>Austin Lahr, Analyst</u>	<u>\$300 per hour</u>	<u>\$ see below</u>
<u>Jamie Durando, Managing Director</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>All other senior level bankers</u>	<u>\$535 per hour</u>	<u>\$ see below</u>
<u>All other officer level bankers</u>	<u>\$415 per hour</u>	<u>\$ see below</u>
<u>All other analyst level bankers</u>	<u>\$300 per hour</u>	<u>\$ see below</u>

* The fee for collateralized or non-collateralized issues is subject to a minimum fee for fixed rate financings of \$60,000 per financing series, for variable rate financings, the minimum fee is \$75,000 per financing series. The fee per \$1,000 principal amount for pooled financing structures is subject to a minimum fee for fixed rate financings of \$70,000 per financing series, for variable rate financings, the minimum fee is \$85,000. Hourly fee pricing would only apply to any debt obligation series of \$50 million or less. For the initial issuance of any newly created financing, an additional fee of \$30,000 would be charged due to the additional time and effort involved in creating such a new structure or financing program. For issues involving the refunding of existing debt obligations, an additional fee of up to \$25,000 would be charged based on the complexity of the refunding.

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PRICING SCHEDULE NUMBER THREE (COLLATERALIZED, NON-COLLATERALIZED AND POOLED):

Annual Retainer Fees:

The Offeror shall indicate an annual retainer price for all services described in the Scope of Work

The Offeror shall separately state the retainer price if a collateralized, non-collateralized or pooled structure is utilized

The Offeror shall indicate any limitations on the services to be provided under such a fee arrangement

Limitations: The Offeror shall indicate if any of the three pricing methodologies are unacceptable

- A. **Collateralized:** \$60,000 annually per Agency*
- B. **Non-Collateralized:** \$60,000 annually per Agency*
- C. **Pooled:** \$60,000 annually per Agency*

* Under this pricing approach, our services would be limited to the Scope of Work items not specifically related to the issuance of any obligations and we would discount proposed per bond pricing fees for any issuance by 7.5%. The annual retainer would need to be paid prior to any services being provided in any fiscal year

PRICING SCHEDULE NUMBER FOUR (KEY PERSON WITH HOURLY RATE):

The Offeror shall indicate hourly rates for other financial advisory activities described in the Scope of Work (associated with a bond issue transaction).

<u>Name of Key Person</u>	<u>Title</u>	<u>Hourly Rate*</u>
<u>Kurt Freund</u>	<u>Managing Director</u>	<u>\$535 per hour</u>
<u>John Snider</u>	<u>Managing Director</u>	<u>\$535 per hour</u>
<u>Jeff Wagner</u>	<u>Managing Director</u>	<u>\$535 per hour</u>
<u>Nick Dodd</u>	<u>Director</u>	<u>\$535 per hour</u>
<u>Bill Wildman</u>	<u>Director</u>	<u>\$535 per hour</u>
<u>Megan Wienand</u>	<u>Vice President</u>	<u>\$415 per hour</u>
<u>Phong Pham</u>	<u>Vice President</u>	<u>\$415 per hour</u>
<u>Kathryn Pong</u>	<u>Associate</u>	<u>\$415 per hour</u>
<u>Loren Morales</u>	<u>Associate</u>	<u>\$415 per hour</u>
<u>Austin Lahr</u>	<u>Analyst</u>	<u>\$300 per hour</u>
<u>Jamie Durando</u>	<u>Managing Director</u>	<u>\$535 per hour</u>
<u>All other senior level bankers</u>		<u>\$535 per hour</u>
<u>All other officer level bankers</u>		<u>\$415 per hour</u>
<u>All other analyst level bankers</u>		<u>\$300 per hour</u>

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* Fees are for “other financial advisory activities” associated with a bond issue transaction in addition to the fees set forth in Pricing Schedule Number One

PRICING SCHEDULE NUMBER FIVE (KEY PERSON WITH HOURLY RATE):

The Offeror shall indicate hourly rates for other financial advisory activities described in the Scope of Work (not associated with a bond transaction).

<u>Name of Key Person</u>	<u>Title</u>	<u>Hourly Rate</u>
<u>Kurt Freund</u>	<u>Managing Director</u>	<u>\$535 per hour</u>
<u>John Snider</u>	<u>Managing Director</u>	<u>\$535 per hour</u>
<u>Jeff Wagner</u>	<u>Managing Director</u>	<u>\$535 per hour</u>
<u>Nick Dodd</u>	<u>Director</u>	<u>\$535 per hour</u>
<u>Bill Wildman</u>	<u>Director</u>	<u>\$535 per hour</u>
<u>Megan Wienand</u>	<u>Vice President</u>	<u>\$415 per hour</u>
<u>Phong Pham</u>	<u>Vice President</u>	<u>\$415 per hour</u>
<u>Kathryn Pong</u>	<u>Associate</u>	<u>\$415 per hour</u>
<u>Loren Morales</u>	<u>Associate</u>	<u>\$415 per hour</u>
<u>Austin Lahr</u>	<u>Analyst</u>	<u>\$300 per hour</u>
<u>Jamie Durando</u>	<u>Managing Director</u>	<u>\$535 per hour</u>
<u>All other senior level bankers</u>		<u>\$535 per hour</u>
<u>All other officer level bankers</u>		<u>\$415 per hour</u>
<u>All other analyst level bankers</u>		<u>\$300 per hour</u>

PRICING SCHEDULE NUMBER SIX:

Optional Pricing: The Offeror shall provide a firm, fixed, all-inclusive maximum fee per Financing Transaction involving the sale of certificates regardless of the number of buildings acquired and equipment and the size of the issue

\$750,000 Maximum Fee (dollar amount) per Financing Transaction Offeror should also indicate how this fee will be calculated (hourly rates, etc)

The fee can be calculated under Pricing Schedule Number One herein

Our proposed fees outlined in any Pricing Schedules noted above do not include any investment advisory services or services related to ancillary financial products such as interest rate derivative contracts or interest rate caps, collars or floors, which are not included in the Scope of Work If such additional services were requested, and we were able to provide such services, they would be subject to a fee payment at a negotiated fee approved in advance

In addition to the fees provided in the Pricing Schedules above, the following additional fees may apply, depending on the circumstances of the specific transaction

Exhibit B

	Attachment I – REVISED		State of Arizona State Procurement Office 100 N 15th Ave., Suite 201 Phoenix, AZ 85007
	Solicitation No. ADSPO14-00003944	PAGE 7	
	Description Financial Advisor Services	OF 7	

For transactions in which RBCCM serves as a placement agent on a loan or securities purchased directly by a bank or other financial institution the fee would not exceed 2% of the total loan amount

Assembly and publishing of Official Statement or Placement Memorandum, a fee of not to exceed \$25,000 (typically for smaller issuers)

Supplemental interest certificates, capital appreciation securities, convertible capital appreciation securities, stepped coupon securities or securities with taxable interest the fee basis may be adjusted by not greater than \$2 50 per \$1,000

For assistance with complex financings or unique requests outside of the traditional services typically provided and contemplated in the Scope of Work, RBCCM could negotiate additional compensation with the non-State Agency local political subdivisions. Complex financings of such subdivisions may include, but are not limited to (1) title or real estate issues, (2) utility company acquisitions, (3) tax increment or land based financings (special districts), (4) public/private partnerships (5) financings involving conduit issuers (6) other circumstances requiring a significantly higher degree of complexity or effort