

# TRINITY COUNTY

## PROPOSAL TO SERVE AS PLACEMENT AGENT *PROPOSED FEES AND EXPENSES*

**SUBMISSION DEADLINE:**  
**12:00 PM PT THURSDAY, MARCH 22, 2018**



STIFEL

On behalf of Stifel, we appreciate the opportunity to express interest in serving Trinity County as Placement Agent for the refunding of the outstanding 2005 Certificates of Participation (“2005 COPs”). Please find below our fee proposal and qualifications to help the County secure the lowest cost of capital and most efficient execution of the financing.

## Fee Proposal

Should the financing be structured as a direct loan, we propose a placement agent fee not to exceed \$15,000. If the financing were to be structured as a security, we would propose a fee of \$20,000, reflecting a placement agent fee of \$15,000 and a \$5,000 expense for our counsel. Our fee is entirely contingent on the completion of the proposed issue.

## Qualifications

**Stifel is an Active Placement Agent.** Since 2012, Stifel has served as placement agent on over 1,000 financings totaling approximately \$7 billion nationally – 52 of which were for lease financings in California totaling a par of approximately \$481 million. This volume of transaction experience ensures the County that our team has the capital markets resources and relationships to secure the best bid from the market.

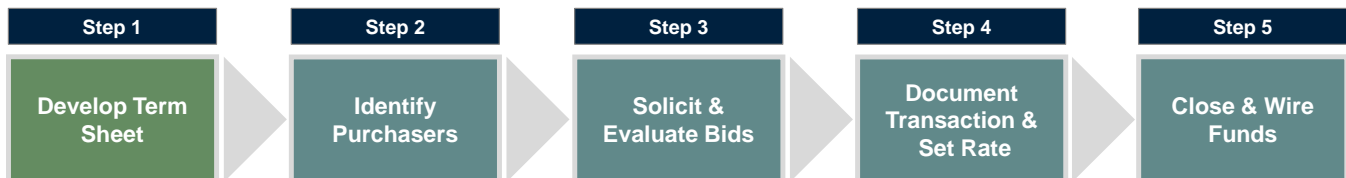
**Relevant Lease Financing Experience.** Aside from being an active placement agent, Stifel is the number one underwriter of California lease financings by both dollar volume and number of transactions. As summarized in the table to the right, since 2012 we have served as book-running senior manager on 131 lease financings totaling nearly \$3.3 billion in par.

Top California LRB/COP Underwriters (2012 - Present)			
Rank	Firm	Par Amount (US\$ mil)	No. of Issues
1	<b>Stifel</b>	<b>\$3,297</b>	<b>131</b>
2	BofAML	3,015	39
3	Citi	2,224	41
4	Goldman Sachs	2,099	13
5	Siebert Cisneros Shank	2,044	17
6	Morgan Stanley	1,760	38
7	RBC	1,706	39
8	Raymond James	1,460	59
9	J P Morgan	1,444	20
10	Wells Fargo	1,365	17

Source: SDC

Our knowledge of California general fund lease credits will help us effectively communicate the lease financing structure as well as the County’s credit strengths to potential lenders.

**Stifel’s Placement Agent Approach.** Stifel has developed a process to secure purchasers that best fit the needs of our clients. The graphic below outlines our proposed process, which starts from developing and circulating terms to documenting the transaction and then achieving financial close.



- Upon engagement, Stifel will immediately begin work with the County and KNN to assemble the term sheet that will be provided to potential purchasers. Components of the term sheet typically consist of the amortization structure and security for the transaction.
- Stifel’s approach to identifying and evaluating buyers is focused on securing a good fit. There are many active buyers in the market and each maintains particular transaction credit criteria. In securing the best bid, we look to leverage the relationships we maintain with nearly 30 banks to ensure that we have a consistently diverse pool of buyers that best aligns with the financing needs of the County. Stifel will provide the County with a list of likely candidates based on transactions that we have recently completed as well as our knowledge on various banks’ credit criteria. Stifel maintains a database that includes information on various banks’ preferences for size, credit, term, geographic location, type of financing, etc. We also propose to engage active buyers of other credits in order to gauge appetite prior to distributing the term sheet. Potential banks we would solicit include *Bank of America*, *BB&T*, *JP Morgan*, *Arizona Business Bank*, *Capital One*, *City National Bank*, *Compass Bank*, *Key Government Finance*, *PNC*, *Signature Funding Group*, *Opus Bank*, *Sterling National Bank*, and *Western Alliance* among other potential lenders.

A graphic encompassing the deep and broadening relationships we maintain with active buyers in the California private placement market is as follows.



- Upon receiving bids, Stifel will work with the County and KNN on evaluating the purchaser proposals, requirements and provisions. We will also help negotiate terms with the selected purchaser.
- Beyond the bid process, Stifel will work with KNN to prepare financing cash flows, as needed, and will review documentation related to the transaction.

Should you have any questions or require additional information, please feel free to contact Holly Vocal or Eric T. Wong at the contact information below.

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