

STIFEL

2325 E. Camelback Road, Suite 750 - Phoenix, AZ 85016 - Tel: (602) 794-4000

April 30, 2015

Mr. Dean Gray
Executive Director
Arizona School Facilities Board
1700 W. Washington, Suite 104
Phoenix, AZ 85007

RE: Retention of Stifel, Nicolaus & Company, Incorporated ("Stifel") for Financial Advisory Services for the approximately \$260,000,000 Refunding Certificates of Participation, Series 2015

Dear Dean:

We are proud to serve the Arizona School Facilities Board (the "Board") as Financial Advisor. This letter is being sent in regards to preparations being made for the planned sale of approximately \$260,000,000 Refunding Certificates of Participation, Series 2015, conditional on the 2015 authorizing legislation becoming effective on July 3, 2015.

This letter acknowledges that Stifel's services for the above-mentioned transaction are being procured by the Board pursuant to the State of Arizona Master Blanket contract for Financial Advisor Services. The Stifel contract number is ADSPO14-080035. As provided by the State Procurement Office, this contract is effective as of September 11, 2014. Stifel agrees to serve as Financial Advisor for this transaction in accordance with the contract.

This letter also acknowledges the scope of services, compensation, expenses, terms of service and other conditions relating to Stifel's service to the Board as Financial Advisor are collectively described within the request for proposal ADSPO14-00003944 and Stifel's written response and proposal submitted July 24, 2014.

We look forward to assisting the Board on these important financing transactions. Please sign, date and return (via electronic or physical delivery) a copy of this letter in acknowledgment of the above. If you have any questions, please do not hesitate to call us.

Sincerely,
STIFEL, NICOLAUS & COMPANY, INCORPORATED



Grant Hamill
Managing Director

cc: Phil Williams, Deputy Director Finance - Arizona School Facilities Board
Debra Sterling, Esq. - Office of the Attorney General

On behalf of the Board:



Mr. Dean Gray, Executive Director

Date:

Disclosures and Certifications:

Pursuant to revised Municipal Securities Rulemaking Board ("MSRB") Rule G-23, a broker, dealer, or municipal securities dealer ("dealer") is prohibited from acting as a Municipal Advisor, as defined in Section 15B of the Exchange Act of 1934 (as amended), to an issuer for a particular issue sold on a negotiated or competitive bid basis and subsequently switching roles to act as underwriter or placement agent with respect to the same issue. In compliance with the rules set forth by the MSRB, Stifel, Nicolaus & Company, Incorporated ("Stifel") is acting as a Municipal Advisor in connection with all services proposed and/or provided to Issuer herein. As such, Stifel will

provide municipal advisory or consultant services including advice and other assistance regarding the structure, timing, terms and other similar matters concerning the issuance. Stifel is declaring that it has done so within the regulatory framework of MSRB Rule G-23 as a municipal advisor, as defined therein, and not an underwriter to the issuer for this proposed issuance of municipal securities. A "municipal advisory relationship" shall be deemed to exist when a firm enters into an agreement to render municipal advisory or consultant services to or on behalf of an issuer with respect to the issuance of municipal securities, including advice with respect to the structure, timing, terms and other similar matters. Accordingly, any services provided by Stifel as they relate to our role as municipal advisor should not be construed as those of an underwriter or placement agent.

Issuer is aware of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Securities and Exchange Commission's adopted rule commonly known as the "Municipal Advisor Rule" (SEC Rule 15Ba1-1 to 15Ba1-8 - "the Rule"). Stifel will be serving as a municipal advisor to the Board under the Rule and this agreement documents the municipal advisory relationship between Stifel and the Issuer.