



WM Financial Strategies

11710 ADMINISTRATION DRIVE
SUITE 7
ST. LOUIS, MISSOURI 63146
(314) 423-2122

January 17, 2012

**RE: City of University City, Missouri
Request for Proposals for Underwriter or Purchaser of
Approximately \$7,115,000 Refunding Certificates of Participation**

WM Financial Strategies, as financial advisor to the City of University City, Missouri (the "City") is seeking proposals from firms to underwrite the above referenced Certificates.

WM Financial Strategies is serving as financial advisor and Gilmore & Bell, St. Louis, Missouri, is serving as Special Tax Counsel.

Enclosed is a draft of the preliminary official statement.

Written proposals will be accepted until 12:00 p.m., Central Time, on February 1, 2012. One copy should be sent to the City's financial advisor and one copy should be sent to the City at the addresses shown hereinafter:

Ms. Joy A. Howard
WM Financial Strategies
11710 Administration Drive
Suite 7
St. Louis, Missouri 63146

Ms. Tina Charumilind
Interim Finance Director
City Hall
6801 Delmar Blvd
University City, MO 63130

As an alternative, the proposal for WM Financial Strategies may be submitted by email to Jhoward@wmfinancialstrategies.com and for the City to tcharumilind@ucitymo.org. Any proposal which is not received at WM Financial Strategies by the designated time and date shall be rejected.

Proposals must include responses to items 1 through 7 set forth below.

1. Underwriting Discount. Indicate your proposed underwriting discount (as a percentage of the par amount).

2. Interest Rates. Using the maturity schedule shown in the Preliminary Official Statement, provide a listing, by year, of the interest rates you would assign if the issue had been sold on January 26. If the rates are **not** based on par pricing, include the yield and price for each maturity based on an issue date of March 8, which is the anticipated date of closing. The City does not require but has a preference for the following terms: (i) reoffering prices no higher than 105% or lower than 98% and (ii) no bifurcated maturities. **Proposals should include justification of the yields set forth in the proposal based on either indexing or comparables as described below.**

Proposals must support the rates and yields set forth in the proposal by including the documentation set forth in a) or b) described below:

a) *Proposals Without Rate Indexing.* Provide samples for issues your firm has recently priced. The samples (not more than 4) should include the name of the issue, rating, principal amounts per maturity, interest rates, yields and reoffering prices. In addition, include the relationship of the yields to the AAA MMD at the time of pricing and describe in detail how the pricing for the samples compares to the yields described for the City's transaction. Describe in detail the process you will use for establishing the final rates.

b) *Proposals With Rate Indexing.* If rate indexing is included as part of your proposal the following information must be provided:

1. A detailed description of the index method to be used including name of the published index to be utilized, the relationship between rates in the proposal and the rates in the published index, and the expiration date of your indexing offer.
2. The date that will be used as the sale date for purposes of indexing. (Acceptable dates include, for example, (1) the date the City executes the purchase contract, (2) a date prior to the sale and agreed upon prior to such date by the underwriter and the financial advisor, (3) a set date that is a specified number of days prior to the sale.)
3. A copy of the published rate table against which rates will be indexed must be included in your proposal. If the index uses a one day lag, the index used on January 26 should reflect January 25 rates.
4. The conditions under which the index will not apply such as the suspension of trading on the New York Stock Exchange.

If your index permits the final rates to be higher than the ratio of the proposal rates to the published rate index (such as a volatility or rounding factor) this will be taken into account in analyzing the proposal.

Rate indexing, if utilized, is intended to provide an upper limit on interest rates. It is understood that if the firm selected utilizes rate indexing, best efforts will be used to offer the Certificates at rates lower than the index. In addition, it is understood that most indexes reflect a one day lag in rates that may make marketing difficult in a volatile rate environment. Accordingly, on the date of sale, WM Financial Strategies will consider permitting an upward variance (of up to 10 basis points) to the rate index if there is a demonstrable change from the index on the sale date.

3. Costs of Issuance and Underwriter's Counsel. The City intends to pay costs of issuance including trustee and escrow agent fees, CPA verification fees, rating fees, official statement printing (up to 200 copies of the preliminary official statement and final official statement delivered to no more than three locations will be provided to the underwriter at the City's expense), Special Tax Counsel fees (including the preparation of the Certificate Purchase Agreement), CUSIP fees, title insurance fees, City attorney fees and financial advisor fees. Any other expenses, including the fees of Underwriter's Counsel, if any, shall be the responsibility of the underwriter selected. If you intend to employ an underwriter's counsel, please provide the name and address of the firm.

4. Terms of the Certificates. Indicate whether you will require any changes to the terms of the Certificates as set forth in the draft preliminary official statement. Specify your proposed prepayment provisions.

5. Underwriting or Purchase Agreement. The firm selected shall provide the financial advisor, Special Tax Counsel and the City comments on draft documents within three business days following the selection of the proposed underwriter or purchaser. The City plans to execute the

agreement and Certificate documents on February 27. Other than such terms and conditions as set forth herein, indicate any further internal approvals you will require as a condition to entering into an underwriting or purchase agreement (e.g., credit approval by commitment committee).

6. Good Faith Deposit. Indicate your willingness to provide a 2% good faith deposit (a cashier's check, certified check or wired funds) on the day your underwriting agreement is adopted by the City.

7. Personnel. Provide the name and phone number for the person who will serve as the City's contact.

The City anticipates selecting an underwriter or purchaser based on the written proposals received, however, in the event that the City elects to interview one or more firms, such interviews will be held by telephone on February 2.

The City reserves the right to reject any and all proposals. The City may waive any variations which are considered to be in the best interest of the City. The City will take all matters included in the request for proposals into account in determining the best proposal and will select the firm it deems to have the best proposal, not necessarily the lowest price. In the event the City elects to terminate the financing prior to execution of an underwriting or purchase agreement the City will have no obligation to any firm submitting a proposal.

If you have any questions regarding this issue or the request for proposals, please contact the undersigned.

Sincerely,

Joy A. Howard
Principal