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**PROPOSAL TO PROVIDE
FINANCIAL ADVISORY SERVICES
TO THE**

**TOWNSHIP OF UNION
BOARD OF EDUCATION**

OCTOBER 10, 2014

SUBMITTED BY:



NW FINANCIAL GROUP, LLC

Exceeding Expectations

2 HUDSON PLACE, 3RD FLOOR • HOBOKEN, NJ 07030 • 201.656.0115(T) • 201.656.4905(F)



NW FINANCIAL GROUP, LLC
Exceeding Expectations

2 Hudson Place
3rd Floor
Hoboken, NJ 07030

Tel (856) 273-6926
Fax (856) 273-6920
www.nwfinancial.com

October 10, 2014

Mr. James J. Damato
Board Attorney/Board Secretary
2639 Morris Avenue
Union, NJ 07083

Re: Proposal to Provide Financial Advisory Services

Dear Mr. Damato:

NW Financial Group, LLC ("NW Financial") is grateful to the Union Township Board of Education (the "Board"), for this opportunity to present our qualifications to provide Financial Advisory Services to the Board. As our qualifications will demonstrate, NW Financial is uniquely qualified to assist the Board in successfully achieving their financing needs. We have reviewed the outstanding 2005 Bonds and believe that with the financing assumptions used in our analysis, a refunding of the 2005 bonds produces over **\$600,000** in present value savings, or **13.2%** of the principal amount refunded. It should be noted that all savings reflected in our analysis are net of the costs of issuing the bonds. The full refunding analysis is included in our proposal.

As our qualifications will demonstrate, NW Financial is uniquely qualified to assist the Board in successfully achieving their financing needs. NW Financial's extensive experience providing financial advisory and consulting services to local governments in the State of New Jersey is unrivaled. With this experience has come a knowledge and understanding of the issues (i.e. budget constraints, tax levy restrictions, required services, and continued capital needs, to name just a few) local governments are faced with on an ongoing basis. NW Financial currently provides financial advisory services to many New Jersey school districts.

Unlike other financial advisory firms, NW Financial is affiliated with NW Capital Markets. NW Capital provides underwriting services to governments in connection with the issuance of bonds and notes. As such, NW Capital has a municipal bond trading desk. And although **NW does not and cannot provide both underwriting and financial advisory services on the same transaction**, the trading desk does give the NW professional staff with the advantage having immediate and accurate market data without having to rely on third party information. This is especially beneficial when selling bonds in this volatile municipal bond market. This also eliminates any potential conflict in which NW Financial becomes beholden to another financial firm or underwriter for any information received.

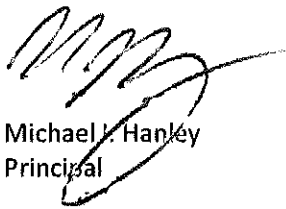
Having a trading desk also requires that the NW Financial professional staff carry Financial Industry Regulatory Authority (FINRA) Securities Licenses. These licenses bring with them extensive training, testing and ongoing FINRA, MSRB and SEC oversight. We believe that having these securities provides the client with the additional benefits of a knowing that the NW Financial staff has a complete understanding of the municipal securities markets and that the NW Financial staff is held to the strictest Federal Securities Regulations.

Finally, it is important for the Board to consider the quality of the professionals who will be assigned to work with the Board and its representatives. As you will note in the attached resumes, the Board will be assigned a senior team with decades of experience with similar clients throughout the State. In addition to managing the NW Financial team, I will also serve as the day-to-day contact for the Board.

We hope that this proposal will convince you of the quality of service and depth of expertise that NW Financial is prepared to offer the Board. We look forward to the opportunity to meet with you and other representatives of the Board to discuss in greater detail our interest in providing Financial Advisory Services.

Thank you again for inviting us to propose.

Very truly yours,



Michael J. Hanley
Principal

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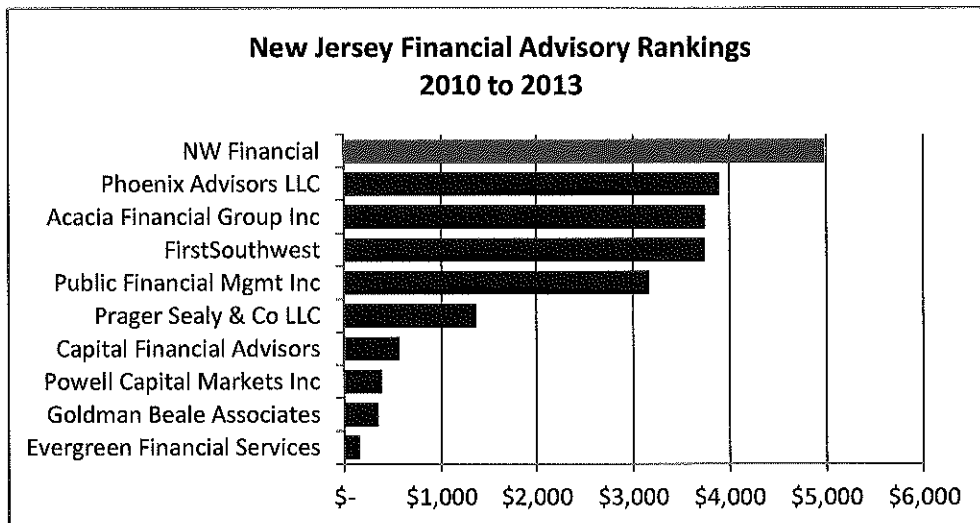
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A. FIRM BACKGROUND

NW Financial has been serving governmental clients in the northeast for 18 years. In the last decade, NW Financial has risen to be one of the leading financial advisory organizations in the region, with three offices located throughout New Jersey and Pennsylvania. With over 20 professionals and additional support staff, we are well equipped to provide financial advisory services to a wide array of clients. Our headquarters is located in Hoboken, NJ, with representative offices located in Mt. Laurel, NJ and Pottstown, PA.

We have acted as financial advisor on over 300 bond issues for governmental clients in the region, raising over \$20 Billion in capital for our clients over the last decade. Our firm is dedicated to providing exceptional service to our clients from our most senior professionals. The Principals of the firm have over 100 combined years of experience in the field of public finance. The experience of our professional team allows us to provide creative and innovative financial solutions to our state and local government clients. NW Financial has been the leading financial advisor for New Jersey municipal bond issuers for over the past three years, providing extraordinary service to our clients in good markets and bad.



Source: Thomson Reuters

Unlike other financial advisory firms practicing in New Jersey, NW Financial has an affiliated municipal securities firm, NW Capital Markets. NW Capital Markets is charged with the sale of municipal securities (underwriting) for our government clients. All of the professionals that work with NW Financial are also employees of NW Capital Markets.

NW Capital Markets has a municipal trading desk. Although we do not and cannot provide both financial advisory and underwriting services on the same transaction, **this is significant for several reasons.**

The professionals at NW Financial are required to carry the required Financial Industry Regulatory (FINRA) Securities municipal underwriting securities licenses. Therefore, our clients have the benefit of knowing that the NW professional staff are fully trained and have passed the necessary FINRA securities examinations needed to acquire the FINRA securities licenses. Secondly, our clients have the added security that the professionals at NW Financial are held to the strictest Federal Securities Regulations. These regulations hold NW staff individually accountable to professional standards that are much more stringent than State and local laws and regulations.



The trading desk provides NW staff with immediate and accurate municipal market data without having to rely on third party (other underwriting firm's trading desks) for information. We know that the information that we get is accurate and we eliminate any potential or perceived conflict in the current or future note and bond transactions.

NW Financial Innovative Transactions:

- **\$150,000,000 Bayonne Municipal Utilities Authority** - First Major Public-Private Partnership water/waste concession in the Northeast in over a decade in the State of New Jersey
- **\$41,720,500 City of Perth Amboy** - First competitive convertible Capital Appreciation Bond Sale for a municipality in the State of New Jersey
- **\$118,915,000 County of Hudson** – First New Jersey municipal Forward Option Bond Sale
- **\$40,465,000 Hoboken Hospital Authority** – First New Jersey municipal hospital authority bonds issuance and first New Jersey Municipal Cinderella Bond
- **\$1,750,000,000 New Jersey Turnpike Authority** – First issuance of Build America Bonds in the United States by a toll road.
- **\$4,753,739.22 City of Bayonne**- First competitive Capital Appreciation Bond Sale for a municipality in the State of New Jersey
- **\$323,000,000 Union County Utilities Authority** – First Public-Private Partnership of a Resource Recovery Facility in the State of New Jersey.

NW Financial is active in many different fields and types of transactions, including redevelopment, housing (including affordable and subsidized housing financings), workouts, TIFs (Tax Increment Financings), RABs (Redevelopment Area Bonds), privatizations and regionalizations, pooled loans, refundings (forward, advance, current), lease revenue financings, lease purchase financings, and public debt restructurings. In addition, we provide a wide range of non-transactional consulting and advisory services, including asset disposition analysis, management consulting, public/private partnerships, strategic advice on negotiations and settlements, litigation support, procurement advice, and a wide variety of other financings that are always customized to meet client needs.

Throughout our history, we have created and marketed sophisticated, innovative financings, often under the most difficult market conditions for our diverse client base. Our past and current public sector clients include:

- County and Municipal Governments
- Transportation Agencies
- Redevelopment Agencies
- School Districts
- State Agencies
- Housing Authorities
- Improvement Authorities
- Parking Authorities
- Utilities Authorities
- Energy Authorities

The firm's success is based on the crafting of creative solutions to assist clients in meeting their long-term financial goals. Through our team of professionals with unrivaled experience, NW Financial focuses on each client's individual needs, keeping *client service, integrity, and innovation* as top priorities.



B. SCOPE OF SERVICES

NW Financial would “quarterback” the project team to assure an efficient and timely financing, including organizing the project team, scheduling and attending working group meetings to assign responsibilities and determine a time table, and attending meetings as reasonably required with Board personnel, attorneys, consultants, engineers, accountants and others in order to pursue, propose or consummate the financing. Our unrivaled diversity of experience in such projects allows us to be involved with every discipline of the project, so there will be continual awareness of project team member progress, resulting in cost control and schedule monitoring.

As Boards face stringent budgetary conditions, identifying opportunities to realize savings from refinancing outstanding indebtedness becomes increasingly important. NW’s professionals have aided numerous school districts in identifying, analyzing, monitoring and capturing refinancing opportunities. Our analytical expertise in structuring refinancing transactions, monitoring market conditions and ensuring competitive pricing has helped districts throughout New Jersey saves millions of dollars in debt service payments.

As Financial Advisor to the Board, our primary responsibility will be to provide essential financial advice and insight and to ensure that all bonds within any financings are structured, marketed and sold successfully. The staff members assigned to this financing has the skills and technical expertise to assure this outcome.

In connection with this assignment, NW Financial agrees to provide all services listed in the RFQ including but not limited to:

- Assist in the preparation of the preliminary and final official statements in connection with the sale of the bonds. Coordinate printing/electronic posting of the preliminary and final official statements.
- Prepare timetables and work schedules, monitor the status of bond issue-related activities and coordinate the activities of other professional consultants engaged in the bond issuance process.
- Monitor interest rate market, analyze various savings structures (i.e., up-front, level, over specified term), analyze maturities to be refunded for optimal combinations, and provide appropriate recommendations.
- Attend any meetings as requested.
- Furnish the rating agencies with all necessary and relevant documentation and information. Manage the overall rating agency program by preparing presentation materials, if necessary.
- Assist in obtaining municipal bond insurance if determined to be cost-efficient. Negotiate with credit enhancement providers as to terms, conditions and fees.
- Advise as to appropriate and advantageous methods of selling debt securities (i.e., competitive, negotiated, private placement), given legal constraints, market conditions and credit factors,
- Prepare the solicitation of, review and evaluate underwriting proposals and provide advice and information in the selection of underwriter.



- Provide analysis and support to enable entering the capital markets in an orderly, timely and cost-efficient manner.
- Work with the underwriter on behalf of the Board, in regards to timing the bond market, structure of the issue, acceptable interest rates, call provisions, etc.
- Provide information from comparable sales to ensure that the borrowing rates are consistent with other bond issues in the market.
- Assist Bond Counsel with the closing process for the bonds.
- Monitor escrow account earnings rate to generate maximum interest earnings and identify potential restructuring opportunities to provide additional savings.



C. REFERENCES AND SIMILAR CLIENTS

Our clients can speak to the quality of work and professionalism of NW Financial professionals. Whether our clients require our participation at meetings, hearings, and presentations or need additional information or analysis, we make every effort to support all of their financing-related needs. Listed below are references for clients assisted by our firm.

Riverside Board of Education

Jodi Lennon, Business Administrator
112 East Washington Street
Riverside, NJ 08075
Tel: 856-461-1163
Email: jlennon@riverside.k12.nj.us

Monmouth Regional High Board

Maria Perry, Business Administrator
1 Norman field Way
Tinton Falls, NJ 07724
Tel: 732-542-1170
Email: mparry@monmouthregional.net

Little Silver Board of Education

Amy Lerner, Business Administrator
124 Willow Drive
Little Silver, NJ 07739
Tel: 732-741-2188
Email: alerner@littlesilver.k12.nj.us

Lumberton Board of Education

Thomas Fanuka, Business Administrator
30 Dimsdale Drive, PO Box 8
Lumberton, NJ 08048
Tel: 609-267-1406 ext: 3615
Email: fant@lumberton.k12.nj.us

Selected New Jersey School District Clients

Allamuchy Township (Warren)	Hamilton Township (Mercer)	Pennsauken Township (Camden)
Bedminster Township (Somerset)	Hammonton Town (Atlantic)	Pine Hill Borough (Camden)
Berkeley Township (Ocean)	Hazlet Township (Monmouth)	Shrewsbury Borough (Monmouth)
Berlin Borough (Camden)	Holmdel Township (Monmouth)	South Harrison (Gloucester)
Boonton Town (Morris)	Howell Township (Monmouth)	S. Hunterdon Regional (Hunterdon)
Bridgewater-Raritan Regional	Kingsway Regional (Gloucester)	Stafford Township (Ocean)
Burlington Township (Burlington)	Lacey Township (Ocean)	Swedesboro-Woolwich Consolidated
City of Linwood (Atlantic)	Lenape Regional (Burlington)	Verona Township (Essex)
Clayton Borough (Gloucester)	Lincoln Park Borough (Morris)	Washington Township (Gloucester)
Deerfield Township (Cumberland)	Little Egg Harbor (Ocean)	Washington Township (Mercer)
Delran Township (Burlington)	Lumberton Township (Burlington)	Weehawken Township (Hudson)
Eagleswood Township (Ocean)	Medford Township (Burlington)	Wenonah Borough (Gloucester)
Edison Township (Middlesex)	Merchantville Borough (Camden)	Westhampton Township (Burlington)
Egg Harbor City (Atlantic)	Monroe Township (Middlesex)	West Deptford Township (Gloucester)
Egg Harbor Township (Atlantic)	Moorestown Township (Burlington)	Westville Borough (Gloucester)
Franklin Township (Somerset)	Neptune City (Monmouth)	Woodstown-Pilesgrove Regional
Gloucester City (Camden)	Nutley Township (Essex)	Plumsted Township (Ocean)
Gloucester Township (Camden)	Ocean Township (Ocean)	Point Pleasant Beach (Ocean)
Hainesport Township (Burlington)	Ocean Township (Monmouth)	Ringwood Borough (Passaic)
Hamilton Township (Atlantic)	Penns Grove-Carney's Point (Salem)	Rutherford Borough (Bergen)



D. RELEVANT EXPERIENCE

Although NW Financial has not had the opportunity to work with the Board, we provide a level of service that is the firm's hallmark and one of its major distinguishing characteristics. Our approach is to focus the financial and structuring expertise of senior bankers on meeting the key requirements of any client's financing, no matter what size. We provide our clients with an unusual advantage in the design of securities and transactions to match their needs with rapidly changing markets. Our senior advisors' experience in completing complex financings for a wide range of clients enables us to both structure transactions to fit clients' underlying budget constraints and attract broad market acceptance.

NW Financial Group's professionals have been at the forefront of providing financial advisory services to school districts throughout New Jersey. Over the past ten years, our professionals have assisted over 100 New Jersey school districts with pre-referendum guidance, school facility and improvement financings, lease purchase financings, identifying refinancing opportunities, and other budgetary analysis.

Referendum Services

In connection with a District's proposed referendum, NW Financial assists the District through every step of the referendum process. Our professionals are involved with the initial analysis of financing alternatives, structure, and strategies and will develop comprehensive tax impact analyses and debt service cost projections. NW Financial will also produce brochures and informational packets for use at public hearings and will prepare news releases. Our professionals will also attend public hearings to provide expert testimony and answer questions from residents. Once the project moves to the financing stage, NW Financial will once again be involved in every step of the process by structuring a marketable bond issue, preparing and reviewing disclosure documentation, verifying the accuracy and acceptability of bids, and providing the District with a final amortization schedule.

Refinancing Services

As school districts face stringent budgetary conditions, identifying opportunities to realize savings from refinancing outstanding indebtedness becomes increasingly important. NW Financial's professionals have aided numerous school districts in identifying, analyzing, monitoring and capturing refinancing opportunities. Our analytical expertise in structuring refinancing transactions, monitoring market conditions and ensuring competitive pricing has helped school districts throughout New Jersey save millions of dollars in debt service payments.

Lease-Purchase Financings

NW Financial also assists school districts on lease purchase financings for capital equipment. Services provided by NW Financial include the preparation of bid solicitation documents, solicitation of the proposed lease to potential providers, review and analysis to determine the lowest cost bid, and assistance to local counsel regarding the preparation of the lease agreement and closing the lease transaction.

Investment Strategies

NW Financial has licensed professionals that have the ability to provide clients with the evaluation of cash flow management and investment strategies. NW Financial professionals have experience structuring bond proceed investment portfolios in order to determine the investment income that can be used to offset debt service payments in order to decrease the tax impact on taxpayers.



Rating Agency

Another point of considerable cost saving measures for many of our clients has been NW Financial's widespread experience working with the major national rating agencies. NW Financial professionals have developed a clear understanding of the analytical methods utilized by Moody's Investors Service, Standard & Poor's Inc. and Fitch Ratings. Our professional staff is trained to conduct in-depth credit analyses comparable to the rating agencies so that both credit strengths and weaknesses can be identified by the issuer prior to the presentation of materials to rating analysts. We will work closely with the rating agencies to fully understand their concerns and methodology and to design the issuer's presentations to specifically address each agency's questions in a meaningful way.

In addition, we maintain close personal contact with staff members at the rating agencies regarding their views of debt covenants, innovative financing techniques and unusual debt structures. By helping our clients achieve ratings upgrades and/or maintain existing ratings during difficult financial times, their overall cost of borrowing is reduced resulting in debt service savings to the taxpayer.

Rating agency experience is more critical today than in previous years as the major rating agencies no longer rely on the State alone to determine the credit rating of an issue but instead look at the underlying credit for additional security.

Renewable Energy

Aging infrastructure and rising energy costs are straining the limited financial resources of New Jersey school districts. NW Financial is assisting school districts with the financing of energy efficiency projects and improvements designed to maximize their energy budgets.

The energy Savings Improvement Program ("ESIP") legislation was adopted in 2009 which provides the ability for school districts to provide for energy savings, projects and improvements and to pay the debt service associated with these projects through the energy dollar savings produced by the project or improvement. The financing options include the issuance of Energy Savings bonds that are issued through a refunding resolution thus negating the requirement for a referendum; the issuance of traditional bonds issued through the approval of a referendum; and, public tax-exempt leases or private leases. NW Financial provides assistance in navigating through the process of an energy audit, determining the best course of financing and assisting the client with the evaluation third party Energy Savings Company ("ESCO") proposals.

Continuing Disclosure

In March of this year, the Securities and Exchange Commission (SEC) announced a self-reporting initiative regarding **continuing disclosure** on municipal bond issues. Issuers of municipal bonds and other obligated parties are now subject to the annual filing requirements under the new SEC rule. As such, issuers are required to submit annual information and timely notice of certain listed events on the EMMA website. Annual filings typically include financial information and operating data about the issuer and the security for the bonds, changes in fiscal year, and audited financial statements. The deadline for filing annual information is included in the issuer's continuing disclosure undertaking, and is often the end of the seventh or ninth month after the end of the issuer's fiscal year. The Rule also requires issuers to provide timely notice of certain listed events with respect to the bonds. As financial advisors to the District, NW Financial will work closely with the District and its Auditors to ensure that all pertinent financial and reporting information is sufficiently reported on the EMMA website. We will also work with the District on an ongoing basis to ensure compliance



Other Services

NW Financial also works with school district clients to provide insight into state funding formulas along with calculating and analyzing state aid. Additionally, NW Financial provides assistance in planning, developing and adopting school budgets along with reviewing business practices and procedures. Analyses of the financial impact of regionalization and de-regionalization alternatives, and early retirement feasibility studies are additional services provided by NW Financial.

NW Financial's professionals pride themselves in their availability to our clients after the completion of transactions for on-going discussions and analyses, reviews of bond market developments and conditions, as well as educational opportunities. NW Financial's professionals have served their school district clients for many years and through numerous financings. We believe that our availability to clients, depth of expertise and resources, and analytical capabilities puts us at the forefront of financial advisors.

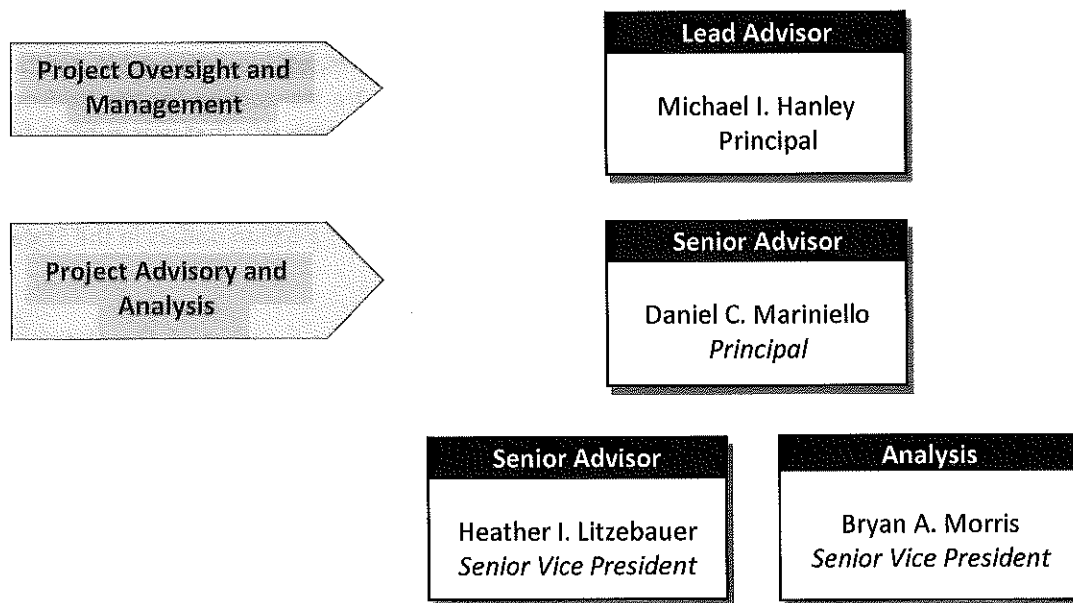


E. ASSIGNED PERSONNEL

The strong project finance emphasis of NW Financial, as well as the public and private sector backgrounds of the key individuals that will be involved with this assignment, assure that our significant experience will benefit the district.

Our experience has shown that strong project management is essential on engagements of this type. Our project management approach includes designating a Lead Advisor as the individual responsible for all aspects of the engagement. The lead advisor for the Board will be Michael I. Hanley; and as such, Mr. Hanley will be responsible for the relationship between the NW Financial team and the Board and for ensuring that appropriate firm resources are brought to bear on issues that arise during the project(s) and that all end products meet the firm's high quality standards.

The key personnel that will serve the Board on this and any assignment(s) will be:



In addition to the project manager, or lead advisor, assigned to work with the Town, other members of the firm will provide support roles, including research, quantitative analysis, bond marketing assessments, policy development, and rating agency presentations. Our staff possesses invaluable experience in every capacity relevant to the Scope of Services included in the Proposal.

Brief resumes for each of these individuals can be found on the following pages.



MICHAEL I. HANLEY, PRINCIPAL

mhanley@nwfinancial.com

Michael I. Hanley joined NW Financial in 1999 and provides the firm with his public finance experience and expertise. Mr. Hanley is actively involved in financings for several of the Firm's major accounts.

Mr. Hanley plays a key role at NW Financial serving as Financial Advisor and Underwriter for many of the Firm's clients. He acts as lead advisor for an array of clients whose operations include affordable housing, solid waste, certificates of participation, water and sewer utilities, and redevelopment.

Mr. Hanley's has garnered expertise working on complex transactions. He has worked with many of the State's most troubled credits. He has participated in hundreds of millions of dollars in transactions with entities that have no rating or ratings just above or below investment grade. His extensive knowledge of New Jersey's municipalities and the challenges they face creates credibility in the marketplace that can only be achieved through closing numerous challenging transactions.

Mr. Hanley has been an innovator in New Jersey's public finance community leading a number of unique transactions including the first competitive capital appreciation bond sale and the first competitive forward option bond sale in the State of New Jersey and the first competitive convertible capital appreciation bond sale in the country. Mr. Hanley was able to complete a transaction for the Hudson County Improvement Authority that was secured by a subject to appropriation risk that was subject to the levy cap of a municipality with a below investment grade rating during the height of the financial crisis. Additionally, Mr. Hanley is the most experienced banker in the state structuring forward option transactions executing 13 transactions with a principal amount of over a half a billion dollars in the State of New Jersey.

Prior to joining NW Financial, Mr. Hanley gained financial experience as a member of the National Dealer Services Team at Pershing. Mr. Hanley has an extensive public sector background including active participation in local and statewide political processes and affairs as both a candidate and a volunteer.

EDUCATION

Hamilton College
Bachelor of Arts

FINRA License
52 (Municipal Securities Representative)

New Jersey License
Life & Health Producer License



DANIEL C. MARINIELLO, PRESIDENT

dmariniello@nwfinancial.com

Daniel C. Mariniello has been with NW Financial since 1997, providing the firm with his public finance, and management experience and expertise. Mr. Mariniello acts as senior/lead advisor to many of the firm's major clients, and has structured a variety of innovative transactions, some of which have set precedence in the industry. In 2005, Mr. Mariniello became President of the firm and has taken on the responsibilities of coordinating the firm's various business lines and organizational structure.

Mr. Mariniello plays an instrumental role acting as Financial Advisor to several government entities, including the City of Newark, Passaic County, Passaic County Improvement Authority, and Bergen County Improvement Authority. He has expertise in a variety of financing programs and is expert in creating client specific bond models for an assortment of transactions including: renewable energy projects, solid waste financings, complex refundings, revenue bonds, certificates of participation, pooled loan programs and lease revenue bonds. Additionally, Mr. Mariniello has lead various consulting projects on behalf of his financial advisory clients including asset sales and lease programs, public/private partnerships, the creation of public authorities, and cash flow analysis for rate-based utilities.

Throughout Mr. Mariniello's tenure, he has also acted as project manager on a variety of healthcare related projects. Acting both as an underwriter and consultant for different clients, his experience is second to none in the healthcare industry. Specifically, Mr. Mariniello worked with Hudson County, Salem County, and most recently Mercer County on the analysis of their county-owned nursing facilities. He has created modeling proformas for the valuation of these facilities in addition to the development of a written report and recommendation to the client.

Prior to his role as President, Mr. Mariniello acted as Managing Director for the firm's federal work with the United States Department of Housing and Urban Renewal's (HUD) Mark-to-Market program. Under his first-rate management, NW Financial restructured more than \$500 million in FHA insured loans through this program. It is through these vast restructurings that have merited Mr. Mariniello the recognition as a public housing financial expert earning him invitations to speak amongst colleagues at various conferences including the Jersey Affordable Housing Management Association's (JAHMA) annual conference in 2003 on a panel discussing the preservation of affordable housing in New Jersey and in 2007 discussing Section 202 Refinancing.

Mr. Mariniello speaks regularly at industry events. Recently, Mr. Mariniello spoke on "The Pace Program – A Unique Option to Finance your Energy Initiative" and at the NAHRO Conference he spoke on "Rental Assistance Demonstrations (RAD)". Mr. Mariniello also spoke on "The Value of Bond Ratings – 2010" panel with various industry professionals at the NJ State League of Municipalities seminar in February 2010.

EDUCATION

Villanova University

Bachelor of Arts

FINRA Licenses

52 (Municipal Securities Representative)

63 (Uniform Securities Agent)



HEATHER I. LITZBAUER, SENIOR VICE PRESIDENT

hlitzbauer@nwfinancial.com

Heather I. Litzbauer joined NW Financial in August 2005. Ms. Litzbauer serves as Senior Vice President for the firm and provides various financial analysis services for clients.

Ms. Litzbauer works closely with clients entering into the bond market conducting market research and financial analyses, procuring credit enhancement and securities ratings, providing support through the bond sales and the pricing process, and tracking refunding and restructuring opportunities. Ms. Litzbauer also works with municipalities and authorities tracking projects and providing cash management services as well as detailed cash flow modeling. During her time with the firm she has provided financial services to the Union County Improvement Authority, Monmouth County Improvement Authority, Delaware Sustainable Energy Utility, Mercer County, Passaic County Improvement Authority, Borough of Essex Fells, Township of Hillsborough and various other authorities and municipalities.

In June of 2006, Ms. Litzbauer participated in the restructuring and issuance of new money debt, approximately \$2.8 billion, for the New Jersey Transportation Trust Fund Authority's Transportation System Bonds. In particular, Ms. Litzbauer assisted in the preparation and documentation of the financing, ran simultaneous pricing models with comparative spreads to MMD benchmarks, and orchestrated two open market Treasury purchases, confirming the winning bid interest rates.

As a licensed Municipal Securities Representative, Ms. Litzbauer provides various underwriting services for the firm, including financial modeling and analysis for municipal issuers, while working with the project team to ensure accurate and timely execution of pricing transactions. Ms. Litzbauer has worked with clients such as the Union County Improvement Authority, Middlesex County Improvement Authority and the Township of Fairfield.

In 2010, Ms. Litzbauer has been assisting the City of Newark's Brick City Development Corporation and the Township of Fort Lee in undertaking financial analysis of redevelopment projects including economic impact studies and the effect of new legislative options to enhance redevelopment projects.

Most recently, Ms. Litzbauer assisted the Monmouth County Improvement Authority in issuing \$47,475,000 in Governmental Pooled Loan Revenue Notes in 2013 to help devastated municipalities from Superstorm Sandy within Monmouth County. The financing consisted of a Pooled Note Program to finance Superstorm Sandy projects and cleanup. One of Ms. Litzbauer tasks in the transaction was to act as the main contact between the Improvement Authority Federal Emergency Management Agency ("FEMA") and the participants in order to assist in coordinating the sale.

EDUCATION

Susquehanna University

Bachelor of Science in Business Administration

FINRA License

52 (Municipal Securities Representative)

63 (Uniform Securities Agent)



BRYAN A. MORRIS, SENIOR VICE PRESIDENT

bmorris@nwfinancial.com

Bryan A. Morris joined NW Financial in March of 2010 as an analyst performing duties to assist in all areas of NW Financial's operations. Mr. Morris has gained experience through a wide array of transactions involving tax supported debt, water and sewer utilities, redevelopment, and pooled loan programs. He has assisted in financial advisory work for many clients including the Gloucester County Utilities Authority, the Hudson County Improvement Authority, the City of Jersey City, the Borough of Fanwood, and the Bridgewater-Raritan Regional School District, among others. Mr. Morris' expertise in debt models, financial projections, and ratings presentations has benefited a variety of clients in transaction related advisory work. The transaction-related work has required him to create various debt structuring and bond modeling scenarios, prepare New Jersey Local Finance Board applications and transaction documents, evaluate underwriter proposals and coordinate transactions from inception to closing. His knowledge of the DBC Finance software has enabled him to meet client's changing needs and offer insightful approaches to financings.

Further, he has been involved with the Gloucester County Utilities Authority's day to day work including refunding and savings analysis and providing support in trust accounting for their involvement with the New Jersey Environmental Infrastructure Trust. Mr. Morris has also played an active role in the Hudson County Improvement Authority's Pooled Note Program, which has assisted municipalities in the County to save over \$29,000,000 since 2009.

Mr. Morris also assists members of the trading desk by performing various tasks associated with the trading and underwriting of municipal securities. His experience includes providing investment banking and operational support. His exposure to the diverse areas of the Public Finance industry through this role at NW Financial has enabled him to contribute to the firm's success in a variety of ways.

EDUCATION

The College of New Jersey

Bachelor of Science in Business Administration: Finance

FINRA Licenses

52 (Municipal Securities Representative)

63 (Uniform Securities Agent)



F. FEE STRUCTURE

For financial advisory services rendered in connection with the sale of bonds and notes or general consulting engagements, NW Financial proposes to be compensated based on the following schedule:

1. General Obligation/Refunding Bonds:

For financial advisory services rendered to the Board, NW proposes to be compensated at a flat fee of \$7,500.00, plus reasonable out-of-pocket expenses

2. Consulting:

For general consulting services provided on projects other than the sale of bonds or notes, our compensation will be based upon the hourly rates as follows:

<u>Position</u>	<u>Hourly Rate (\$/hour)</u>
Principal	\$195
Managing Director	\$185
Senior Vice President	\$180
Vice President	\$170
Analyst	\$150

Reimbursable Expenses: NW Financial proposes to invoice for reasonable out of pocket expenses such as phone, postage, copies, travel, etc. These expenses will be included on monthly invoices for consulting services performed or included with the transactional invoice following a School District Financing.



APPENDIX 1. REFUNDING ANALYSIS



SOURCES AND USES OF FUNDS

Board of Education of the Township of Union
Refunding School Bonds, Series 2014
(Bank Qualified)

Preliminary - Assumes AA+ Rating

Dated Date 12/01/2014
Delivery Date 12/01/2014

Sources:

Bond Proceeds:	
Par Amount	4,360,000.00
Premium	429,886.80
	<hr/>
	4,789,886.80

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.04
SLGS Purchases	<hr/>
	4,704,710.00
	4,704,710.04
 Delivery Date Expenses:	
Cost of Issuance	82,440.00
 Other Uses of Funds:	
Additional Proceeds	2,736.76
	<hr/>
	4,789,886.80

SUMMARY OF REFUNDING RESULTS

Board of Education of the Township of Union
Refunding School Bonds, Series 2014
(Bank Qualified)

Preliminary - Assumes AA+ Rating

Dated Date	12/01/2014
Delivery Date	12/01/2014
Arbitrage yield	1.655955%
Escrow yield	0.010193%
Value of Negative Arbitrage	6,421.25
Bond Par Amount	4,360,000.00
True Interest Cost	1.655955%
Net Interest Cost	1.771438%
Average Coupon	3.851871%
Average Life	4.739
Par amount of refunded bonds	4,590,000.00
Average coupon of refunded bonds	5.000000%
Average life of refunded bonds	4.867
PV of prior debt to 12/01/2014 @ 1.655955%	5,394,311.42
Net PV Savings	607,161.38
Percentage savings of refunded bonds	13.227917%
Percentage savings of refunding bonds	13.925720%

SUMMARY OF BONDS REFUNDED

Board of Education of the Township of Union
Refunding School Bonds, Series 2014
(Bank Qualified)

Preliminary - Assumes AA+ Rating

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Refunding School Bonds, Series 2005:					
BOND	01/01/2016	5.000%	475,000.00	01/01/2015	100.000
	01/01/2017	5.000%	495,000.00	01/01/2015	100.000
	01/01/2018	5.000%	525,000.00	01/01/2015	100.000
	01/01/2019	5.000%	555,000.00	01/01/2015	100.000
	01/01/2020	5.000%	580,000.00	01/01/2015	100.000
	01/01/2021	5.000%	615,000.00	01/01/2015	100.000
	01/01/2022	5.000%	655,000.00	01/01/2015	100.000
	01/01/2023	5.000%	690,000.00	01/01/2015	100.000
			4,590,000.00		

SAVINGS

Board of Education of the Township of Union
Refunding School Bonds, Series 2014
(Bank Qualified)

Preliminary - Assumes AA+ Rating

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 12/01/2014 @ 1.6559552%
01/01/2015	114,750.00	73,225.00	41,525.00		41,467.97
06/30/2015				41,525.00	
07/01/2015	114,750.00	78,750.00	36,000.00		35,655.34
01/01/2016	589,750.00	548,750.00	41,000.00		40,274.01
06/30/2016				77,000.00	
07/01/2016	102,875.00	71,700.00	31,175.00		30,371.51
01/01/2017	597,875.00	551,700.00	46,175.00		44,615.51
06/30/2017				77,350.00	
07/01/2017	90,500.00	64,500.00	26,000.00		24,915.59
01/01/2018	615,500.00	564,500.00	51,000.00		48,471.56
06/30/2018				77,000.00	
07/01/2018	77,375.00	57,000.00	20,375.00		19,205.84
01/01/2019	632,375.00	577,000.00	55,375.00		51,768.84
06/30/2019				75,750.00	
07/01/2019	63,500.00	46,600.00	16,900.00		15,669.69
01/01/2020	643,500.00	586,600.00	56,900.00		52,324.47
06/30/2020				73,800.00	
07/01/2020	49,000.00	35,800.00	13,200.00		12,038.86
01/01/2021	664,000.00	600,800.00	63,200.00		57,167.28
06/30/2021				76,400.00	
07/01/2021	33,625.00	24,500.00	9,125.00		8,186.20
01/01/2022	688,625.00	624,500.00	64,125.00		57,055.27
06/30/2022				73,250.00	
07/01/2022	17,250.00	12,500.00	4,750.00		4,191.61
01/01/2023	707,250.00	637,500.00	69,750.00		61,045.05
06/30/2023				74,500.00	
	5,802,500.00	5,155,925.00	646,575.00	646,575.00	604,424.62

Savings Summary

Dated Date	12/01/2014
Delivery Date	12/01/2014
PV of savings from cash flow	604,424.62
Plus: Refunding funds on hand	2,736.76
Net PV Savings	607,161.38

BOND PRICING

Board of Education of the Township of Union
 Refunding School Bonds, Series 2014
 (Bank Qualified)

Preliminary - Assumes AA+ Rating

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	01/01/2015	60,000	2.000%	0.340%	100.138
	01/01/2016	470,000	3.000%	0.450%	102.752
	01/01/2017	480,000	3.000%	0.670%	104.812
	01/01/2018	500,000	3.000%	0.910%	106.339
	01/01/2019	520,000	4.000%	1.180%	111.208
	01/01/2020	540,000	4.000%	1.460%	112.399
	01/01/2021	565,000	4.000%	1.730%	113.052
	01/01/2022	600,000	4.000%	1.980%	113.287
	01/01/2023	625,000	4.000%	2.190%	113.340
		4,360,000			

Dated Date	12/01/2014	
Delivery Date	12/01/2014	
First Coupon	01/01/2015	
Par Amount	4,360,000.00	
Premium	429,886.80	
	<hr/>	
Production	4,789,886.80	109.859789%
Underwriter's Discount		
	<hr/>	
Purchase Price	4,789,886.80	109.859789%
Accrued Interest		
	<hr/>	
Net Proceeds	4,789,886.80	

BOND DEBT SERVICE

Board of Education of the Township of Union
 Refunding School Bonds, Series 2014
 (Bank Qualified)

Preliminary - Assumes AA+ Rating

Dated Date 12/01/2014
 Delivery Date 12/01/2014

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2015	60,000	2.000%	13,225	73,225	
06/30/2015					73,225
07/01/2015			78,750	78,750	
01/01/2016	470,000	3.000%	78,750	548,750	
06/30/2016					627,500
07/01/2016			71,700	71,700	
01/01/2017	480,000	3.000%	71,700	551,700	
06/30/2017					623,400
07/01/2017			64,500	64,500	
01/01/2018	500,000	3.000%	64,500	564,500	
06/30/2018					629,000
07/01/2018			57,000	57,000	
01/01/2019	520,000	4.000%	57,000	577,000	
06/30/2019					634,000
07/01/2019			46,600	46,600	
01/01/2020	540,000	4.000%	46,600	586,600	
06/30/2020					633,200
07/01/2020			35,800	35,800	
01/01/2021	565,000	4.000%	35,800	600,800	
06/30/2021					636,600
07/01/2021			24,500	24,500	
01/01/2022	600,000	4.000%	24,500	624,500	
06/30/2022					649,000
07/01/2022			12,500	12,500	
01/01/2023	625,000	4.000%	12,500	637,500	
06/30/2023					650,000
	4,360,000		795,925	5,155,925	5,155,925

PRIOR BOND DEBT SERVICE

Board of Education of the Township of Union
 Refunding School Bonds, Series 2014
 (Bank Qualified)

Preliminary - Assumes AA+ Rating

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2015			114,750	114,750	
06/30/2015					114,750
07/01/2015			114,750	114,750	
01/01/2016	475,000	5.000%	114,750	589,750	
06/30/2016					704,500
07/01/2016			102,875	102,875	
01/01/2017	495,000	5.000%	102,875	597,875	
06/30/2017					700,750
07/01/2017			90,500	90,500	
01/01/2018	525,000	5.000%	90,500	615,500	
06/30/2018					706,000
07/01/2018			77,375	77,375	
01/01/2019	555,000	5.000%	77,375	632,375	
06/30/2019					709,750
07/01/2019			63,500	63,500	
01/01/2020	580,000	5.000%	63,500	643,500	
06/30/2020					707,000
07/01/2020			49,000	49,000	
01/01/2021	615,000	5.000%	49,000	664,000	
06/30/2021					713,000
07/01/2021			33,625	33,625	
01/01/2022	655,000	5.000%	33,625	688,625	
06/30/2022					722,250
07/01/2022			17,250	17,250	
01/01/2023	690,000	5.000%	17,250	707,250	
06/30/2023					724,500
	4,590,000		1,212,500	5,802,500	5,802,500

ESCROW REQUIREMENTS

Board of Education of the Township of Union
Refunding School Bonds, Series 2014
(Bank Qualified)
Preliminary - Assumes AA+ Rating

Period Ending	Interest	Principal Redeemed	Total
01/01/2015	114,750.00	4,590,000.00	4,704,750.00
	114,750.00	4,590,000.00	4,704,750.00

ESCROW DESCRIPTIONS

Board of Education of the Township of Union
Refunding School Bonds, Series 2014
(Bank Qualified)

Preliminary - Assumes AA+ Rating

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Dec 1, 2014:						
SLGS	Certificate	01/01/2015	01/01/2015	4,704,710	0.010%	0.010%
				4,704,710		

SLGS Summary

SLGS Rates File	10OCT14
Total Certificates of Indebtedness	4,704,710.00

ESCROW COST

Board of Education of the Township of Union
 Refunding School Bonds, Series 2014
 (Bank Qualified)
 Preliminary - Assumes AA+ Rating

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	01/01/2015	4,704,710	0.010%	4,704,710.00
		4,704,710		4,704,710.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
12/01/2014	4,704,710	0.04	4,704,710.04	0.010193%
	4,704,710	0.04	4,704,710.04	

ESCROW CASH FLOW

Board of Education of the Township of Union
Refunding School Bonds, Series 2014
(Bank Qualified)
Preliminary - Assumes AA+ Rating

Date	Principal	Interest	Net Escrow Receipts	Present Value to 12/01/2014 @ 0.0101926%
01/01/2015	4,704,710.00	39.96	4,704,749.96	4,704,710.00
	4,704,710.00	39.96	4,704,749.96	4,704,710.00

Escrow Cost Summary

Purchase date	12/01/2014
Purchase cost of securities	4,704,710.00
Target for yield calculation	4,704,710.00

ESCROW SUFFICIENCY

Board of Education of the Township of Union
Refunding School Bonds, Series 2014
(Bank Qualified)
Preliminary - Assumes AA+ Rating

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
12/01/2014		0.04	0.04	0.04
01/01/2015	4,704,750.00	4,704,749.96	(0.04)	
	4,704,750.00	4,704,750.00	0.00	
