



**STANDARD & POOR'S  
RATINGS SERVICES**

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Valued Client

I write to thank you for continuing your relationship with Standard and Poor's.

In addition, I would like to highlight certain of our requirements in order for you to enable us to both maintain our rating on your entity's debt and, if you should ask us to do so, assign future ratings on additional debt.

In assigning and maintaining your ratings, Standard and Poor's Ratings Services evaluates the most current information available. This includes, among other information, any financial and operating information that may have an impact on your debt platform.

We are aware that recently, direct bank loan financing has been utilized more regularly as a component of municipal entities' capital strategies. Very frequently, these loans are on parity with outstanding, publicly held debt obligations. Unfortunately, disclosure of these agreements has been erratic at best, which does not serve to enhance transparency in the municipal market.

In order to both maintain our rating(s) on your current obligations, and possibly assign future rating(s) on additional debt, we require that we are notified and supplied with all relevant documentation related to any private debt, including bank loan financing, that you enter into, regardless of whether the private debt is being rated by Standard & Poor's. Notification and provision of documentation should occur, at the latest, promptly following closing of such private debt. This enables us to assess the credit impact of such financing and to incorporate such assessments into our analysis of your capital platform. If you enter into such an agreement, and we are not informed in a timely manner and supplied with the documentation, we may, suspend or withdraw your rating in accordance with our published procedures.

We are well aware of the value that bank loan financing can provide as an additional option for municipal entities. Transactions of this type can, however, often have credit implications. Our ratings, in turn, incorporate, among other factors, our opinion of such credit implications.

Thank you for your time. If you have any questions, or would like to discuss this or any other issues, please feel free to call me or any of my senior analytic managers listed below.

Sincerely

Steven J. Murphy

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