Statement of Qualifications

PALO VERDE COMMUNITY COLLEGE DISTRICT

March 2012

Submitted by:

MAGIS ADVISORS, INC.

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MAGIS ADVISORS
public finance consulting

MAGIS (mă-jĭs) – adverb (Latin):
(1) more; (2) to a greater extent
MAGIS. MEANS. MORE.

MAGIS ADVISORS
public finance consulting

THE CORE VALUES OF MAGIS

- *Our clients' interests always come first — we know from experience that if we serve our client well, our success is inevitable.*

- *We apply creativity and imagination to all that we do — it is the exemplification of Magis.*

- *We accept personal responsibility for the outcomes we promise. We are determined to achieve excellence in our work and we take pride in the quality of the outcomes we produce.*

- *We consider our size to be an asset — it enables us to maintain the sense of personal responsibility necessary to our success. If we have to choose between "bigger" and "better," we will always choose the latter.*

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OVERVIEW

This statement of qualifications is submitted by:

MAGIS ADVISORS, INC.
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Magis is a California corporation, is a federally registered municipal advisor (SEC #866-00026-00 and MSRB #K0125); and, is a state-registered investment advisor (CRD #148720). The firm is on the California State Treasurer's panel of firms qualified to do business with the State (and we are currently under contract with the State Controller's Office).

WHAT WE DO

We are financial advisors to state and local governments. We offer capital planning and bond issuance services as well as counseling for investment of capital funds. We design and build sustainable strategies to aid our clients in the planning, evaluation, sale, and administration of municipal debt – bonds, notes, financing leases, bank credit, and private placements.

WHO WE DO IT FOR

Our client list presently includes the State of California (State Controller's Office), the California cities of Belmont, Burlingame, Menifee, Murrieta, Poway, Rancho Palos Verdes, Rolling Hills Estates, Santa Paula, and Vista; and the Denver (CO) public school system. Magis offers a highly personalized, client-centered alternative to larger, less-focused firms.

MORE THAN EXPERIENCE—KNOW-HOW

It is not enough for your consultant to be experienced. The consultant must also have the "know-how" to offer creative, practical solutions to help the client do three things on its project: (1) complete them at the lowest possible cost and in the least amount of time; (2) avoid future problems with them; and (3) uncover profitable opportunities to improve them.

The assigned project manager's expertise is derived from 200 financial advisory engagements, which have funded close to $6 billion in capital needs for public agencies.

THE MAGIS VALUE PROPOSITION

We understand that for Magis to succeed, the client must first succeed in meeting its needs. We must be invested in the client's outcome – we must have "skin in the game."

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Here's how we do that. We offer a guarantee that is unmatched by any other advisor. We claim no originality in this guarantee – in fact, Roger Staubach, the former Heisman Trophy winner, Annapolis graduate, and NFL quarterback who founded The Staubach Company, first used it to demonstrate that company's commitment to its clients. What he did was considered revolutionary for a service business. He offered a value guarantee that promised fee reductions if the client was not completely satisfied with his company's representation of their interests. We offer a virtually identical commitment.

Others will claim to be committed to your success – but our promise that we will bring bottom-line value is embedded in the Magis value proposition:

> ***"If we do not provide clear value to your financing project (in terms of time, money, and qualitative results) in excess of our fee, we will waive all or part of our fee at your sole, reasonable discretion."***

That commitment is real and measurable. The client's success drives our success.

In summary, our "differentiators" are these four: (a) Magis offers a business culture different from its competitors;" (b) we have direct, relevant experience with similar issuers with similar needs; (c) Magis possesses the independence and objectivity needed to assure you that the advice you receive is fact-based, derived from sound principles, and adheres to best practices; and, (d) we offer a tangible commitment to the your success that is unmatched by any other advisor.

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CAPABILITIES & RESOURCES

Fixed income markets are complex. We believe that our ability to understand and comment on the key drivers affecting bond prices and interest rates is of utmost importance to our clients. Magis possesses all of the resources necessary to deliver the required commentary and interpretation efficiently.

We maintain access to both primary and secondary market pricing through Thomson Reuters Municipal Market Monitor (TM3), a data collection and analysis program that provides statistical data and analysis tools for all debt issued by public agencies in the United States. TM3 is the most comprehensive news source dedicated exclusively to the municipal marketplace, and offers several formats to view news and disclosure data, as well as query tools and drill down capabilities in both the primary and secondary markets.

For keeping up-to-date on credit matters, we subscribe to the complete suite of Standard & Poor's Public Finance resources through their Global Credit Portal. This enables us to bring together credit intelligence with market intelligence and to perform effective, credit-risk driven analyses of both governmental and not-for-profit issuers.

We actively use the services of Municipal Market Advisors, a subscription based service, to analyze interest rates in the primary and secondary market. MMA is the leading independent strategy, research, and advisory firm in the municipal bond industry. MMA provide analysis throughout the trading day, as well as daily and weekly summaries, along with a comprehensive monthly report.

We subscribe to the daily analysis of primary market municipal bond pricing furnished by Delphis Hanover Corporation. Delphis displays the actual average prices at which primary offerings of bond issues were sold to permanent investors, and groups those prices along credit quality lines.

Together, these four resources (TM3, S&P, MMA, and Delphis) offer powerful, objective tools to evaluate bond pricing confidently on the strength of verifiable data rather than on unreliable "verbal reports" or anecdotal statements furnished by underwriters.

Magis uses Munex® (developed by Ferrand Consulting Group) to calculate new money sizing, refunding escrows, and escrow investments; and then, model debt service requirements for those issues. Munex® allows efficient analysis of refunding opportunities by computing refunding efficiencies, by maturity, based on the value of the embedded call option to the issuer. In addition, Munex® also allows us to perform sensitivity analyses "on-the-fly" to understand the effect of interest rate changes on the financing transaction.

In their entirety, these resources require significant financial commitment from Magis, a prerequisite to establishing credible, long-term relationships with clients.

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PERSONNEL

A superbly qualified individual, **Tim Schaefer**, a consultant with forty years experience in municipal finance (more than twenty years of which has been advising California's counties, cities and special districts) and twenty years experience trading and underwriting municipal debt securities, leads the Magis team.

Schaefer is the founder and principal owner of Magis Advisors. His experience includes the development and sale of both tax-supported and revenue bonds for public facilities, redevelopment, transportation projects and essential service enterprises. He has a strong foundation in project finance, both domestic and international. He also possesses a deep background in development finance, including Mello-Roos and assessment bonds used to fund public infrastructure.

He has managed 200 financial advisory engagements, raising $30 billion of debt proceeds; $5.2 billion of these transactions were long-term debt issues; the remainder were working capital or cash flow borrowings, including the largest competitive offering of medium term notes ever attempted in the U.S. municipal market – California, $4.0 billion, 22 month maturity, July 1994.

He has been the project manager on 50 transactions for special assessment and special tax issues, totaling more than $750 million of financing proceeds. He has been the project manager on 32 redevelopment financing projects, totaling in excess of $550 million of financing proceeds. Financing leases and certificates of participation account for 35 transactions totaling $1.38 billion. He has managed 31 projects for enterprise revenue bonds totaling $900 million, of which seven were for airport issuers totaling $285 million. Finally, he has managed 15 multi-billion dollar offerings of short and medium term cash flow notes and working capital financings totaling more than $24 billion.

Schaefer offers solid experience in delivering practical, common sense based solutions to city, county and special services districts in California. Present clients include the State of California and the cities of Belmont, Menifee, Murrieta, Poway, Rolling Hills Estates, Rancho Palos Verdes and Vista. Notable past clients include the states of California, Minnesota, Montana, New Hampshire, New York, Tennessee and Texas; the cities of Los Angeles, San Diego, and San Jose; and, the counties of Los Angeles, Orange and Riverside, among others.

Before founding Magis, he was the President and Chief Operating Officer of Fieldman, Rolapp & Associates. Prior to entering the financial advisory field, Tim managed the national municipal trading desk at Chemical Bank in New York City and subsequently was the Managing Director of the Public Finance Department of Bank of America in San Francisco.

He served more than twenty years on the Technical Assistance Committee to the California Debt and Investment Advisory Commission (including three terms as its chairman) and three years as a private sector advisor to the Standing Committee on Governmental Debt of the Government Finance Officers Association. Recently, he served on a National League of Cities task force investigating substitute

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mechanisms for municipal bond insurance as a consequence of the collapse of the major municipal bond insurers in 2008.

He is a co-author of the California Public Funds Investment Primer, published by the California Debt and Investment Advisory Commission in 2005, and has authored a number of articles on the field of municipal finance. He is a frequent speaker before groups such as the California Debt and Investment Advisory Commission, the League of California Cities, the Government Finance Officers Association, and the California Society of Municipal Finance Officers.

Tim holds the designation of Certified Independent Public Finance Advisor awarded by the National Association of Independent Public Finance Advisors. He is a member of the California Society of Municipal Analysts (a component organization of the National Federation of Municipal Analysts), the Risk Management Association, the Government Finance Officers Association, the California Redevelopment Association and the International City/County Management Association and is also a registered investment advisor representative.

Eva Wolf, Senior Associate, has over fifteen years of public finance experience in California and is a recent addition to the Magis team. She has been the advisor, project manager or closing coordinator on more than 100 bond issues. Currently, Ms. Wolf is working with the City of Vista Community Development Commission, Vista Sanitation & Buena Sanitation District, and the City of Belmont.

While working with her former employer (another financial advisory firm), she was involved in the formation and subsequent bond financing of 25 special district/1915 Act assessment district bonds, totaling over $1.0 billion dollars in tax exempt securities. She has worked as a financial advisor, project manager and/or closing coordinator on financings for cities, redevelopment agencies, and school districts.

Ms. Wolf has also been extensively involved in redevelopment consulting services as well, especially the preparation of AB1290 updates and plan adoptions. She has participated in the preparation and implementation of numerous redevelopment plans. She is an expert in the compilation and composition of the redevelopment fiscal consultant report, a key component of the preliminary and final official statement for redevelopment financings as well as credit packages for rating agencies.

Ms. Wolf earned a Bachelor of Science Degree from the University of Redlands in Business Management and has taken the following specialized coursework: ABC's of School Debt Financing – California Debt and Investment Advisory Commission, Fundamentals of Land-Secured Financing – CDIAC, School Finance Courses for Chief Business Officials – University of California Riverside Extension, Redevelopment Accounting – California Redevelopment Association, Financial Reporting Workshop - CRA

MEMBERSHIPS

- ✓ California Redevelopment Association
- ✓ California Association of School Business Officials

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- ✓ International Hispanic Network
- ✓ California Society of Municipal Finance Officers
- ✓ Municipal Management Association of Southern California

COMMITTEES & PRESENTATIONS

- ✓ Membership Committee, International Hispanic Network
- ✓ Presenting Trainer, California Tax Credit Allocation Committee (2001)
- ✓ Presenter, numerous workshops and study sessions to the real estate industry on affordable housing programs and requirements.

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Kathryn Schaefer, Corporate Secretary, has more than eight years of experience in the securities industry. In addition to her corporate duties, she handles the majority of the administrative functions of the firm. Prior to her recent twenty-year career as a homemaker, she worked for the Investment Securities Division of the Bank of America as the administrative aide to the Division's Operations Officer and for a major brokerage firm.

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REFERENCES & TESTIMONIALS

Client references for selected Magis clients (with a summary of work performed, some basic facts about the size and scope of their operations and contact information) are presented below, followed by several testimonials from our clients.

DENVER PUBLIC SCHOOLS

MS. JEANNIE KAPLAN
Board Secretary
Tel: (720) 423-3210

POPULATION: 600,000; STUDENT ENROLLMENT: 80,000; GENERAL FUND REVENUES: $735 MILLION; DEBT PORTFOLIO: $1.03 BILLION OUTSTANDING.

CLIENT OF MR. SCHAEFER AND MAGIS SINCE 2011.

Co-financial advisor for a two-series refunding of $750 million of taxable, pension-related debt. The refunded issue consisted of (a) $396.2 million, fixed rate, taxable certificates; and (b) $396.0 million, variable rate, certificates. The variable rate offering included a four-party interest rate swap, creating a synthetic fixed rate obligation.

STATE OF CALIFORNIA CONTROLLER'S OFFICE

MR. COLLIN WONG-MARTINUSEN
Chief of Staff
Tel: (916) 327-1361

POPULATION: 37 MILLION; GENERAL FUND REVENUES: $94 BILLION.

CLIENT OF MR. SCHAEFER SINCE 1982; OF MAGIS SINCE 2008.

Magis is under contract to assist with cash flow planning for the State's General Fund. Notable past experience includes five offerings of short and intermediate term cash flow notes in sizes ranging from $450 million through $7.5 billion, all but one sold competitively. The 1994 offering was for medium term notes and is believed to be the largest competitive sale ever attempted in the U.S. municipal market for such securities. The 2002 offering also required a complex solicitation of credit support from commercial banks. This solicitation totaled $8.5 billion in "stand-alone" credit agreements.

CITY OF VISTA

MS. RITA GELDERT
City Manager
Tel: (760) 639-6131

POPULATION: 93,384; GENERAL FUND REVENUES: $62 MILLION; INCORPORATED: 1963; CHARTER ADOPTED 2007; DEBT PORTFOLIO: APPROXIMATELY $229 MILLION OUTSTANDING.

CLIENT OF MR. SCHAEFER SINCE 1993; OF MAGIS SINCE 2008.

Advisory services for debt issuance, debt management, and capital planning. Presently engaged for two sewer projects and a multi-year program for redevelopment. Notable past experience includes 2007 issuance of $117 million COP issue to fund new civic center (supported by local option sales tax) and $24 million issue of taxable BANs in 2010 to finance redevelopment activities.

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CITY OF BELMONT MR. THOMAS FIL Finance Director Tel: (650) 595-7435	*POPULATION: 25,835; GENERAL FUND REVENUES: $15 MILLION: INCORPORATED: 1926 (GENERAL LAW); DEBT PORTFOLIO: APPROXIMATELY $42 MILLION OUTSTANDING.* **CLIENT OF MR. SCHAEFER SINCE 1994; OF MAGIS SINCE 2008.** Presently engaged for planning and sale of two sewer issues. These issues would be the fourth and fifth in a series spanning almost fourteen years. Notable experience includes planning and sale of citywide Mello-Roos issue, in which Schaefer also acted as special tax consultant.
CITY OF RANCHO PALOS VERDES MR. DENNIS MCLEAN Director of Finance Tel: (310) 544-5212	*POPULATION: 41,643; GENERAL FUND REVENUES: $21 MILLION; INCORPORATED: 1973 (GENERAL LAW); DEBT PORTFOLIO: $7 MILLION OUTSTANDING.* **CLIENT OF MR. SCHAEFER SINCE 2005; OF MAGIS SINCE 2008.** Planning underway on debt offering to fund a new civic center complex. The city is studying a "public-private partnership" arrangement – likely to be a "design-build" approach. We are engaged to assist in the financial aspects of the proposal. Magis also assists the City with the development of its long-term capital improvement plan. Magis provides ongoing investment advisory services to this client.
CITY OF MURRIETA MR. RICK DUDLEY City Manager Tel: (951) 461-6002	*POPULATION: 103,466; GENERAL FUND REVENUES: $36 MILLION; INCORPORATED: 1991 (GENERAL LAW); DEBT PORTFOLIO: $75 MILLION OUTSTANDING (GENERAL FUND); AND, $145 MILLION IN 13 MELLO-ROOS CFDS.* **CLIENT OF MR. SCHAEFER AND MAGIS SINCE EARLY 2009.** Presently assisting with the planning, formation and sale of Mello-Roos debt for a multi-owner commercial development project. Recently assisted the City with its response to an IRS "letter audit" inquiring about the City's compliance with tax law in the administration of one of its Mello-Roos district issues.

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CITY OF POWAY MR. PETER MOOTE Assistant Director of Administrative Services Tel: (858) 668-4414	*POPULATION: 47,811; GENERAL FUND REVENUES: $33 MILLION; INCORPORATED: 1980 (GENERAL LAW); DEBT PORTFOLIO: $51 MILLION OUTSTANDING (GENERAL FUND) AND $235 MILLION OUTSTANDING (REDEVELOPMENT AGENCY).* **CLIENT OF MR. SCHAEFER AND MAGIS SINCE 2010.** Magis was engaged in 2010 as the city's general financial advisor after a competitive selection process. Initial work is focused on development of a debt policy and integration of the debt policy with the city's established reserve policies. Miscellaneous activities relating to internal redevelopment matters.
CITY OF ROLLING HILLS ESTATES MR. DOUG PRICHARD City Manager Tel: (310) 377-1577	*POPULATION: 8,067; GENERAL FUND REVENUES: $6 MILLION; INCORPORATED: 1957 (GENERAL LAW); DEBT PORTFOLIO: < $1 MILLION OUTSTANDING (GENERAL FUND).* **CLIENT OF MR. SCHAEFER AND MAGIS SINCE 2011.** Magis was engaged in 2011 to assist the City with an external financing of its Unfunded Accrued Actuarial Liability in a CalPERS "side fund." The borrowing was structured as a fixed rate, fixed term, taxable pension obligation bond. The issue was projected to save the City more than $300,000 in present value terms over a seven year period.
CITY OF MENIFEE MR. BILL RAWLINGS City Manager Tel: (310) 377-1577	*POPULATION: 77,519; GENERAL FUND REVENUES: $22 MILLION; INCORPORATED: 2008 (GENERAL LAW); DEBT PORTFOLIO: $1.1 MILLION OUTSTANDING (GENERAL FUND).* **CLIENT OF MR. SCHAEFER AND MAGIS SINCE 2011.** Magis was engaged in 2011 to assist the City with the analysis and development of special taxing districts. The scope of work includes financial feasibility, development, and implementation of the special tax, review of the underlying economics of the proposed district and related activities. We also assist this client with the review of financial capabilities of developers proposing financial arrangements with the City unrelated to debt.

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TESTIMONIALS

Testimonials from past and present clients confirm our claim that we provide real, bottom-line value to their projects. We would be happy to furnish the contact information and/or the original source of the testimonials provided below.

"I owe you a debt of gratitude for providing us with help that is above and beyond the call of duty."

— Chief of Staff to Elected State Official

"That was an amazing tutorial yesterday and I thank you for taking the time to assist and educate us."

— City Finance Director

"I so appreciate all you have done and your assurances are great for the Council."

— City Manager

"Your professionalism and great sense of humor helped us to keep this project in focus and on track and we truly appreciate it."

— Elected City Treasurer

"His professionalism and clarity in explaining multi-faceted matters to the City Council helped the City understand complex redevelopment matters, economic development issues and other major initiatives."

— City Councilman

"Throughout his activities for the City, Mr. Schaefer consistently demonstrated a strong service orientation towards our needs and sensitivities. His integrity and loyalty to our City agenda were both obvious and genuine."

— Past Mayor and Former City Manager

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