

March 30, 2016

Gregory Rose, Manager
City of Maricopa
39700 W Civic Center Plaza
Maricopa, AZ 85138

Gregory:

This correspondence is in response to your request for financial advisory fee estimates to assist the City to respond to transfers/losses of primary property taxes. Under our existing agreement with the City, we receive compensation in one or a combination of ways including: (1) on a contingency basis from bond proceeds, (2) hourly fees for special services, and (3) special project compensation.

Based on our understanding of the initial services required, we can rely on a fixed amount for a special project as outlined below.

Project: Appeal Transfer/Loss of Primary Property Tax Revenue

Scope of Work: Assist the City to respond to the transfer/loss of primary property taxes as detailed within correspondence from the Arizona Property Tax Oversight Commission dated March 24, 2016. The assistance will include: (1) confirming FY 2015-16 transfers/losses for the City and other Arizona jurisdictions, (2) projecting future year transfers/losses for the City and other Arizona jurisdictions, (3) contributing to the appeals process, (4) attending meetings, and (5) preparing and making presentations.

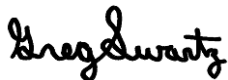
Timeline: Based on our understanding of the project and scope of work, we estimate it will require 2-4 weeks to complete the project once we are authorized to proceed.

Fee Estimate: Based on our understanding of the scope of work as outlined above, we propose a fee of \$7,500. This proposed fee includes out-of-pocket, travel, and miscellaneous fees in addition to the professional services required.

After completing the scope of work outlined above, we can propose an additional project and a related scope of work to assist the City to consider and act on long-term solutions to the tax transfer/loss including, amongst other options, the formation of a fire district, obtaining authority to seek a voter authorized tax override, or initiating legal action against the State.

Feel free to contact me at 602-808-5426 or via greg.g.swartz@pjc.com if you require clarification.

Sincerely,



Greg Swartz, Senior Vice President
Piper Jaffray