

SIFMA Model Risk Disclosures Pursuant to MSRB Rule G-17

Tender Offers¹

[THE FOLLOWING MODEL DISCLOSURE RELATING TO TENDER OFFERS IS INTENDED TO BE USED AS PART OF THE UNDERWRITER'S DISCLOSURE OF THE MATERIAL FINANCIAL CHARACTERISTICS AND RISKS OF A COMPLEX MUNICIPAL SECURITIES FINANCING THAT INCLUDES A TENDER OFFER. THIS DISCLOSURE MAY BE PROVIDED SEPARATELY OR ADDED TO ANY COMPLEX MUNICIPAL SECURITIES FINANCING DISCLOSURE THAT IS OTHERWISE BEING PROVIDED TO THE ISSUER IN CONNECTION WITH THE TRANSACTION.]

Financial Characteristics

The following is a general description of the financial characteristics of the proposed tender offer for the outstanding [DESCRIBE BONDS THAT WILL BE THE SUBJECT OF THE TENDER OFFER] (the Outstanding Bonds), as well as a general description of certain financial risks that are known to us and reasonably foreseeable at this time and that you should consider before deciding whether to proceed with the tender offer. If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to us. In addition, you should consult with your financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate. DELETE THE FOLLOWING SENTENCE IF THE ISSUER HAS DETERMINED THE STRUCTURE OF THE TENDER OFFER: [If you decide that you would like to pursue the tender offer, we may provide you with additional information more specific to your particular tender offer.]

IF A CONDUIT ISSUE, ADD THE FOLLOWING (MODIFY AS NECESSARY TO REFLECT THE TERMS OF THE TRANSACTION): [As the issuer of the [DESCRIBE THE BONDS OR OTHER OBLIGATIONS THAT WILL FUND THE TENDER OFFER] (the New Bonds), you will be a party to the bond purchase agreement and certain other legal documents to be entered into in connection with the issuance of the New Bonds, but the material financial risks described below will be borne by the obligor, as set forth in those legal documents. A copy of our disclosure letter relating to the New Bonds and the tender offer is also being sent to the obligor.] [IF NOT A CONDUIT ISSUE, DELETE REFERENCES BELOW TO "THE OBLIGOR".]

Legal Framework

The tender offer will be an offer to purchase some or all of the Outstanding Bonds through a public offer to the holders of the Outstanding Bonds. The tender offer will be funded from the proceeds of the [New Bonds]/[IF NOT ALREADY DEFINED, DESCRIBE THE BONDS OR OTHER OBLIGATIONS THAT WILL FUND THE TENDER OFFER (the New Bonds)]. Among other circumstances, a tender offer can be an appropriate financial strategy where the outstanding tax-exempt bonds, such as the Outstanding Bonds, are not eligible for an advance

¹ Under MSRB Rule G-17, the underwriters must provide an issuer with disclosures about complex municipal securities financings that they recommend to the issuer for a negotiated offering. A tender offer generally will be treated as a complex municipal securities financing.

refunding (either because those bonds have already been advance refunded or do not otherwise qualify for advance refunding under the federal tax rules) and are not eligible for a current refunding (under the federal tax rules, a current refunding means that the New Bonds are issued no more than 90 days prior to the redemption date of the Outstanding Bonds).

As market participants in connection with issuance of the New Bonds, we and you are subject to various laws and regulations, including anti-fraud provisions and Rule 10b-5 of the Securities and Exchange Commission (SEC). These anti-fraud provisions also apply to issuers, like you, engaging in a repurchase of outstanding debt, such as the Outstanding Bonds. In connection with corporate securities, there is also extensive regulation of tender offers through legislation, regulations issued by the SEC and various court cases. While these laws, regulations and court cases may not specifically apply to municipal securities, adherence to their principles generally is considered best practice to satisfy fair dealing obligations in the marketplace. The tender offer will constitute a firm offer to the market to purchase the Outstanding Bonds, subject to certain provisions and conditions. You should consult with your legal and financial professionals if you decide to proceed with the tender offer and in evaluating the legal framework for the tender offer and the exercise of conditions to a tender offer.

Third-Party Participants

Often a tender offer involves the engagement of certain third parties, such as an Information Agent or Tender Agent. These firms have specialized knowledge of the tender process for book-entry securities held through The Depository Trust Company (DTC), including the ability to help identify bondholders and to increase the expectation that necessary information relating to the tender offer will reach all bondholders in a timely manner. We have worked with several Information Agent firms and can provide suggestions on selecting a firm, but ultimately it is [your/the obligor's] decision whether to engage a third party or whom to engage relating to the tender offer.

Pricing of the Tender Offer

[USE THE FOLLOWING PARAGRAPH FOR A MODIFIED DUTCH AUCTION TENDER OFFER.] The tender offer is contemplated to be a modified dutch auction tender offer for a period of [] business days. With a modified dutch auction tender offer, bondholders will submit Outstanding Bonds for tender at prices determined by them within a predetermined range that you set. The mechanism to determine clearing amounts and prices should be transparent to all participants and will be mechanical in nature.

[USE THE FOLLOWING PARAGRAPH FOR A FIXED PRICE TENDER OFFER.] The tender offer is contemplated to be a fixed price tender offer for a period of [] business days. With a fixed price tender offer, bondholders electing to submit Outstanding Bonds for tender will do so at the price or prices that you determine at the time that the tender offer is publicly disseminated to the holders of the Outstanding Bonds. Subject to certain notice and timing requirements, you will have the ability to modify the fixed price or prices during the course of the tender offer, should you wish to do so.

The completion of the tender offer may be subject to certain conditions that you establish at the time that the tender offer commences. For example, depending on the nature of the tender offer and based on discussions with your counsel, you may elect not to complete the tender offer if certain events occur, such as war or escalation of hostilities, moratorium, bankruptcy, adverse legal proceedings, material default or a material change in the economics of the tender offer.

Role of the Dealer Manager

[You or the obligor have engaged us/If you or the obligor engage us] as dealer manager for the tender offer [and/,] we will perform the duties typical of a tender offer as provided in the Dealer Manager Agreement, to be executed by [you/the obligor] and us, as dealer manager. We maintain relationships with both investors and issuers/obligors and must balance those competing interests through the normal course of our business, including in connection with tender offers. [MODIFY OR DELETE THE FOLLOWING SENTENCES, AS APPLICABLE.] [We also have disclosed to you that one or more of our affiliates own Outstanding Bonds in an aggregate amount of \$_____ million [for our own account or as part of sponsored mutual funds]. In our roles as underwriter for the New Bonds and dealer manager for the tender offer, we have not engaged that affiliate in any manner related to this transaction and we anticipate engaging with them like we would any other investor or holder of Outstanding Bonds].

Financial Risk Considerations

Certain risks may arise in connection with a tender offer, including some or all of the following (generally, the obligor, rather than you, will bear these risks in connection with a tender offer for conduit revenue bonds):

Uncertainty of Results

The results of a tender offer can be uncertain. Since there is limited ability to communicate with investors prior to a tender offer, there may be a high degree of uncertainty as to the principal amount of the Outstanding Bonds that actually will be tendered for purchase. The level of participation cannot be known at the time the tender offer is launched and may affect the tender price or prices that you ultimately offer and pay. As a consequence, there is execution uncertainty with a tender offer.

Varying Impact on Particular Bondholders

A tender offer or the specific terms or financing structure may affect particular bondholders differently, including holders of the Outstanding Bonds or other bonds that are not part of the tender offer. This may affect the results of the tender offer. We are obligated to deal fairly with all investors.

Alternatives to the Tender Offer May be Better

The Outstanding Bonds mature [or are subject to mandatory tender for purchase] on [DATE] [INSERT THE FOLLOWING IF APPLICABLE] [and are callable (for refinancing or remarketing) beginning on [DATE]]. No assurances can be provided as to the ultimate financial effect of the tender offer and it is possible that you may obtain a better economic result if you simply wait and refinance or remarket the Outstanding Bonds on [DATE] rather than proceed with a tender offer.