



May 19, 2008

«Person»
«Bank»
«Address»
«CityStateZip»

Dear «Salute»,

Yuma County Airport Authority is seeking proposals to establish a long-term business relationship for a full line of Banking Services to support planned growth at Yuma International Airport/Marine Corps Air Station, Yuma. This will include providing a full range of banking services, refinancing our existing debt of \$2.3M, providing a line of credit of up to \$1 M and providing additional financing for the construction of up to two new medium sized aircraft hangars, with an expected cost of \$1.5 M each.

The Airport anticipates final agreement approval by the Yuma County Airport Authority Board of Directors by Board of Directors of the Yuma County Airport Authority on June 10, 2008. Your proposal should be effective through July 5, 2008.

The Airport will solicit and receive proposals for banking services as described in the project scope listed below. The proposed timeline below is for **planning purposes only**.

Project Milestones

Project Name: Proposal for Airport Banking Services

RFP Available: Today

Site Visit and Briefings: Schedule by calling Andrea at 928-726-5882.

Last Date for Questions: May 30, 2008 at 4:00pm MST.

Response Due: NLT June 4, 2008 at 4:00pm MST.

Agreement Finalized: Anticipated June 17, 2008

Project Manger: Gerald Hinkle, Jr., C.P.A., Chief Financial Officer at 928-726-5882

Overview

The Yuma County Airport Authority, Inc. (YCAA) is a non-profit corporation established in 1965. The YCAA has a 50-year no cost lease of the airport from Yuma County and a charter for managing the airport. All real property acquired or constructed by the YCAA is deeded to Yuma County and becomes part of the lease. This restricts the type of security we can provide to only a pledge or revenues. A lien cannot be placed on property or structures. The YCAA is a political subdivision of the State of Arizona in accordance with ARS 28-8411 and as such the financing requested may be considered tax-exempt. The determination of this fact is solely the responsibility of the bank. The YCAA currently has a "tax exempt" note that is being re-financed as a result of the process and has issued its own municipal bonds in the past. Attached you will find three years of Audited Financial statements. Additional financial information is available upon request.

The Scope of Services in Attachment 1 is for a full range of banking services that will allow the Airport to grow in a financially prudent manner while meeting the needs of our customers. The Financing Requirement can be found in Attachment 2.

Minimum Qualifications

To be considered for selection, financial institutions must meet at least the following minimum qualifications:

- A. Authority to offer banking services. Institution must hold a charter from either the United States Government or the State of Arizona.
- B. Access to the Federal Reserve System. Institution must be a member of (or have access to) the Federal Reserve System and have access to all Federal Reserve System services.
- C. Legal Compliance. Institution must be in compliance with all applicable laws, rules, regulations, and ordinances of the City of Yuma, the State of Arizona, and the United States
- D. Local banking office. Institution must have an established office or local branch within the City of Yuma.
- E. Deposit Insurance. Institution must comply with legal requirement to collateralize all deposits in excess of FDIC insurance at all times.

Document Submission Procedures

The proposal document starts on page 9 and is titled Attachment 4 – Proposal for Airport Banking Services . Please note the requirement of a commitment letter suitable for signature by the President of the Airport Authority. Carefully follow the instructions provided on each page of the form. Except for the commitment letter, the attached response forms may not be altered in any way. Proposals may not exceed the number of pages in the proposal format.

All other material will be discarded without review.

ONE COPY of your completed proposal and commitment letter must be delivered to the Administration Office, Attention: Andrea Lopez, 2191 E 32nd St, Ste 218, Yuma, AZ, 85365, not later than June 4, 2008 at 4:00pm MST. Either Hand or Postal delivery is acceptable. Fax or Electronic Submissions are not acceptable. You may call 726-5882, and speak with Andrea to confirm receipt of your proposal. Submittals received after the stated time will not be considered. A party authorized to bind the entity submitting the proposal must sign the proposal and commitment letter.

Evaluation Process

Proposals will be evaluated by a specially picked selection committee. Evaluations will be based on criteria shown below. All proposals will be evaluated using the same criteria. All material submitted in response to this solicitation becomes the property of YCAA and may not be returned. After the contract is awarded, the proposals shall be open for public inspection except to the extent that the withholding of information is permitted or required by law.

The selection committee will review all proposals and rate and rank each submission in accordance with the evaluation criteria described below. All participating banks will be notified of the result and the top rated bank will be contacted to finalize contract documents. The selection committee reserves the right to conduct interviews with several top-rated banks if the committee deems it necessary. In such case, selection will be made following interviews.

No verbal agreement or selection is binding or considered final until approved by the Yuma County Airport Authority. The YCAA reserves the right to reject any or all proposals, and to conduct new banking services selection procedures. If there are any questions concerning any aspect of this solicitation or the scope of work, please submit them in writing via fax to Andrea at 928-344-4677. All questions and answers will be published on the airport web site. It is the responsibility of the responders to review all questions and answers prior to the submission of their proposals. The last date for questions is indicated above in the milestones.

The Airport Authority is including our most recent financial statements for your information. Airport staff will be pleased to present a complete briefing concerning this offering at a time of your convenience in the airport conference room. Please call Andrea at 726-5882 to schedule a banking services briefing.

Criteria for Evaluating Engineering Proposals

The Selection Committee will use the following criteria to evaluate proposals.

Criteria	Max Points
1. What are the Financial Requirements and Loan Agreement Covenants, if any?	20
2. What is the proposed interest rate if: <ul style="list-style-type: none"> a. Adjusted daily? b. Adjusted at five-year increments? c. If Tax-Exempt Status is lost? d. What limits on changing from Adjustable Daily Rates to Adjusted Every Five-Year Rates? <ul style="list-style-type: none"> i. And Back? 	15
3. What line of credit will the bank provide? <ul style="list-style-type: none"> a. Under what terms? 	15
4. What is the required collateral on the proposed loans, if any? <ul style="list-style-type: none"> a. What guarantors are required? 	10
5. What amount of the loan can be provided as construction Draws? <ul style="list-style-type: none"> a. Over what time period, i.e. how many months? 	10
6. What is the maximum limit of the loan amount?	10
7. What is the proposed term of the loan? <ul style="list-style-type: none"> a. What is the proposed date of maturity of the loan? b. What are the payments? 	10
8. What is the prepayment penalty (if any)? <ul style="list-style-type: none"> a. What are the acceptable limits (if any) on prepayments? 	5
9. What are the proposed fees associated with obtaining the loan? <ul style="list-style-type: none"> a. What amount is payable on signing the commitment letter? b. What amount of remaining fees can be included in the loan? 	5

Criteria	Max Points
10. Does the Proposer meet other banking services requirements listed in the Scope of Services in Attachment 1?	20
Maximum Possible Points	120

Thank you for taking the time to respond to this RFP. Please call if you have any questions (We may ask that you fax your questions to us in writing).

Sincerely,



Craig Williams
Airport Director

Attachment 1 - Scope of Services

General Information

The Yuma County Airport Authority is soliciting proposals for a primary banking relationship with a financial institution that operates an office within the City of Yuma city limits.

The following is a listing of mandatory services the Airport requires of its financial institution:

No-cost demand deposit checking accounts	Banking supplies
Interim financing or line of credit	Payroll direct deposit
Trust & escrow agent services	Credit/debit card services
Investment safekeeping services	ACH debit services
ACH reporting & processing	Excellent customer service & response
One Million Dollar Line of Credit	Interest Earning Checking Accounts
Safe Deposit Box Services	Credit Cards
Night Depository Services.	

Services Required

Checking Accounts: The Airport currently utilizes one interest earning checking account.

The institution will furnish the Airport with additional interest earning checking accounts as needed. Currently, deposits are delivered to the institution's branch once each workday, for processing and credit to the Airport's account that day. NSF checks must be processed twice before being returned to the Airport. The basic checking account services should consist of:

- Provide month-end statements by the 15th day of the following month and provide statements to various auditors upon request;
- Provide electronic check image retrieval on CD monthly including necessary software;
- Provide individual and consolidated monthly account analysis for all accounts by the 15th day of the following month;
- Provide an on-line computer balance reporting system, with information on collected, available and closing balances, as well as a detail of total debits and credits posted to the account for the previous day, by 7:00 a.m. each business day;
- Provide support in answering questions, trouble shooting problems and resolving issues in a prompt manner;
- Provide means to inquire about canceled checks and stop payment on checks upon proper authorization.

Interim / Line of Credit Financing

The Airport may require periodic short-term financing up to \$1,000,000 for a period not to exceed six months in the form of an overdraft or short-term notes. The successful bidder agrees to provide interim financing to the Airport on a prompt and competitive basis with fees based on outstanding balance and no annual fee.

Although the Airport will attempt to minimize daylight and overnight overdraft situations, it recognizes that due to the nature of Federal and State grant reimbursement funding delays, there

are times these situations will occur. It is anticipated these overdraft situations will not exceed \$1 million, if and when they do occur.

Other Services

Supplies: The financial institution will be required to provide a supply of coin rollers, locking bank bags, tamper proof plastic deposit bags for no cost.

Credit/Debit Card Services: The Financial institution will provide the Airport with the ability to accept payment through the use of credit/debit cards. The Airport currently accepts MasterCard and Visa credit cards in person for collection of rent, parking and certain permit fees. This may be expanding to include other types of collections as well. The Airport wishes to include the acceptance of on-line transactions in the future. Any banks fees will be billed at the end of each month as part of the airport's activity charges.

The Financial Institution will also provide a means for electronic debit from customer accounts located in various depository intuitions on a scheduled basis. The bank must provide the means to accomplish this as well as technical support to include the development of authorization forms etc for this process.

Night Deposits: The Financial institution will provide the Airport with the ability to make 'night drop' deposits after hours. Airport staff will prepare a deposit slip and 'night drop' the deposit after hours, for deposit the next day. The Financial institution will provide the tamper-resistant bags for this function.

Corporate Credit Cards: The Airport uses credit cards for travel and other purposes. The Airport will require approximately ten individual Visa Accounts. They are used for purchasing and travel in lieu of issuing purchase orders.

Other: The airport is interested in other services provided by the financial institution that would be beneficial to the Yuma County Airport Authority, but have not specifically been addressed. Please itemize such services in the proposal.

Services Not Provided

In the event that the primary proposing financial institution does not provide all requested services included in this RFP, the financial institution will submit as part of its proposal additional partners/providers who do provide these services.

Deposit / Savings / Money Market Accounts

The bank must provide accounts intended for the safe keeping of deposits and the earning of interest. These accounts must be available without cost with the exception of fees based upon balances below a stated minimum. The rates applied to the accounts must be competitive.

Attachment 2 – Financing Requirement

The purpose of this loan is to refinance the two existing loans, which have a combined principal balance as of May 8, 2008 of \$2,303,726 and provide 100% of the cost (estimated at \$3,000,000) to construct two buildings for YCAA at Yuma International Airport. These buildings are expected to be leased to defense contractors providing services to MCAS, YPG or similar entities.

This includes:

Existing Loan	Balance
Loan 1	\$1,884,448
Loan 2	\$419,278
Financing 1 st Hangar Estimated	\$1,500,000
Financing 2 nd Hangar Estimated	\$1,500,000
Total Approximately	\$5,400,000

The new financing is intended to cover the cost of at least one new aircraft maintenance hangar, built with the intention of providing services to a wide variety of defense industry clients doing business now, and expected in the future, at Yuma proving Ground and Marine Corps Air Station Yuma.

Our belief is that the first hangar can, with refinancing our current and new debt, be obtained with no change to our current debt service payments.

Covenants: It is important to note that our current debt does not entail any covenants. The importance of this to the airport cannot be overstated. The proposing financial institution should assume that the imposition of covenants would prevent the refinancing and new construction effort from moving forward. This should be clearly understood in preparing your proposal.

Background: The Airport is entitled to annual State and Federal funding of up to three million dollars annually. The Airport has an aggressive strategy to meet planned growth by catering to our two military target market areas.

Attachment 3 – List of Bidders

Bank Name	Chief Credit Officer	Address	Phone
Chase	Sandra Navarrete	170 West 16th Street Yuma, AZ	928-343-4250
Chase	David Benson /Mark Jensen	201 North Central, 21st Floor Phoenix, AZ 85004	602-221-2663
National Bank of Arizona	Mary Porchas	1800 S 4th Ave, Yuma, AZ	928-782-7505
Wells Fargo Bank	Eduardo Diaz	1 East 16 th Street Yuma, AZ	928-783-2418
Wells Fargo Bank	Kevin D. O'Connor	1740 Broadway Denver, CO 80274	800-444-4823
Yuma Community Bank	Keith Simmonds	2285 S 4th Ave, Yuma, AZ	928-314-2418
1st Bank Yuma	Edward J. Kerwin	2755 S. 4 th Avenue, Bldg. 2, Suite 101 Yuma, AZ 85364	928-344-3336
Bank Of America	Chris Rudolph	201 E. Washington St. Phoenix, AZ 85004	
Sun Bank	Tim Connealy	1111 Main Kansas City, MO 64105	
Mohave State Bank	Brian Geren	2450 S 4th Ave # 600, Yuma, AZ	928-344-8822
Compass Bank	Blake Cockrell	2850 East Camelback Road, Suite 140 Phoenix, AZ 85016	602-522-6886
Foothills Bank	Dale I. Sandahl	11689 South Foothills Blvd. Yuma, AZ 85367	928-305-5000

Attachment 4 – Proposal for Airport Banking Services



Project Information

Airport Name Yuma International Airport

Project Name Airport Banking Services

Project Manager Gerald Hinkle, Jr., CPA, Chief Financial Officer

Banking Firm Information

Firm Name _____

Mailing Address _____

City State Zip _____

Contact Name _____

Position _____

Telephone _____

Fax _____

Date Submitted _____

Email _____

Information Submitted and Verified by

Name _____

Title _____

Signature _____

This form must be used to present proposals for banking services as directed in the Request for Proposal. The proposal may not exceed the number of pages as provided in this form package. Please use 12-point type fonts. Any other material will be discarded without review. Materials submitted will not be returned.

Proposed Financing

For the benefit of the Selection Committee, please provide the following information in the space provided below. This document is available on our web site in Word.Doc format for your convenience. (No more than three pages)

Proposed Financing

1. What are the Financial Requirements and Loan Agreement Covenants, if any?

2. What is the proposed interest rate if:

- a. Adjusted daily?
 - b. Adjusted at five-year increments?
 - c. If Tax-Exempt Status is lost?
 - d. What limits on changing from Adjustable Daily Rates to Adjusted Every Five-Year Rates?
 - i. And Back?
-

3. What line of credit will the bank provide?

- a. Under what terms?
-

4. What is the required collateral on the proposed loans, if any?

- a. What guarantors are required?
-

5. What amount of the loan can be provided as construction Draws?

- a. Over what time period, i.e. how many months?
-

6. What is the maximum limit of the loan amount?

7. What is the proposed term of the loan?

- a. What is the proposed date of maturity of the loan?
 - b. What are the payments?
-

8. What is the prepayment penalty (if any)?

- a. What are the acceptable limits (if any) on prepayments?
-

9. What are the proposed fees associated with obtaining the loan?

- a. What amount is payable on signing the commitment letter?
 - b. What amount of remaining fees can be included in the loan?
-

10. Does the Proposer meet other banking services requirements listed in the Scope of Services in Attachment 1?

Other Banking Services Requirements

Indicate below which of the following services you can or cannot provide:

Banking Service Provided	Yes	No
No-cost demand deposit checking accounts	<input type="checkbox"/>	<input type="checkbox"/>
Interim financing or line of credit	<input type="checkbox"/>	<input type="checkbox"/>
Trust & escrow agent services	<input type="checkbox"/>	<input type="checkbox"/>
Investment safekeeping services	<input type="checkbox"/>	<input type="checkbox"/>
ACH reporting & processing	<input type="checkbox"/>	<input type="checkbox"/>
One Million Dollar Line of Credit	<input type="checkbox"/>	<input type="checkbox"/>
Safe Deposit Box Services	<input type="checkbox"/>	<input type="checkbox"/>
Night Depository Services.	<input type="checkbox"/>	<input type="checkbox"/>
Banking supplies	<input type="checkbox"/>	<input type="checkbox"/>
Payroll direct deposit	<input type="checkbox"/>	<input type="checkbox"/>
Credit/debit card services	<input type="checkbox"/>	<input type="checkbox"/>
ACH debit services	<input type="checkbox"/>	<input type="checkbox"/>
Excellent customer service & response	<input type="checkbox"/>	<input type="checkbox"/>
Interest Earning Checking Accounts	<input type="checkbox"/>	<input type="checkbox"/>
Credit Cards	<input type="checkbox"/>	<input type="checkbox"/>

If no, please explain:

Letter of Commitment

In the interests of establishing a mutual commitment by the Yuma County Airport Authority, please provide a Letter of Commitment, containing the above information, signed by an individual of your organization, empowered to make such a commitment. A sample letter is included below and should be provided on your firm's stationary.

TO: Karl Moedl
President, Yuma County Airport Authority
2191 E 32nd Street, Suite 218
Yuma, AZ 85365

It is a pleasure to inform you that YOURBANKNAME has approved a SPECIFY AMOUNT tax-exempt loan with construction draws for Yuma County Airport Authority, Inc. (YCAA). The Loan is subject to the following terms and conditions:

Borrower: Yuma County Airport Authority

Guarantors: SPECIFY REQUIREMENT

Loan Amount: SPECIFY AMOUNT AND RESTRICTIONS

Interest Rate: SPECIFY RATE AND CONDITIONS (IF ANY)

Prepayment Penalty: SPECIFY CONDITIONS AND AMOUNT (IF ANY)

Term: SPECIFY PAYMENTS AND NUMBER OF MONTHS

Maturity Date: SPECIFY DATE OR LENGTH OF LOAN

Fees: SPECIFY ORIGINATION AND OTHER FEES AND CONDITIONS

Collateral: SPECIFY REQUIREMENTS (IF ANY)

Loan Purpose: "The purpose of this loan is to refinance the two existing loans which have a combined principal balance as of May 8, 2008 of \$2,303,726 and provide 100% of the cost (estimated at \$3,000,000) to construct two buildings for YCAA at Yuma International Airport. These buildings are expected to be leased to defense contractors providing services to MCAS, YPG or similar entities." [Suggested wording from scope of work; adjust as you see fit]

Financial Requirements & Loan Agreement Covenants: SPECIFY (IF ANY)

This Commitment Letter expires July 5, 2008.

Signature _____
Name _____
Title _____

The terms and conditions in this Commitment Letter are agreed to and accepted by the Yuma County Airport Authority.

Karl Moedl
President, Yuma County Airport Authority

Date