

STIFEL

June 20, 2018

Mr. Jeff Hall, Treasurer
Brecksville-Broadview Heights CSD
6638 Mill Road
Brecksville, OH 44141

Re: *Brecksville-Broadview Heights CSD's \$44,500,000 School Facilities Improvement Bonds, Series 2018*
MSRB Rule G-17 Disclosures

Dear Mr. Hall:

We are writing to provide you, as Treasurer of Brecksville-Broadview Heights City School District (the "Issuer" or the "District"), with certain disclosures relating to the issuance of the \$44,500,000 School Facilities Improvement Bonds, Series 2018 (the "Bonds"), as required by the Municipal Securities Rulemaking Board (the "MSRB") Rule G-17 as set forth in MSRB Notice 2012-25.

Stifel Nicolaus & Company, Incorporated ("Stifel") intends to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds.

As part of our services as underwriter, Stifel may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

I. Disclosures Required by Rule G-17 Concerning the Role of the Underwriter

- (i) MSRB G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
- (ii) The underwriter's primary role is to purchase the Bonds with a view towards distribution in an arm's-length commercial transaction with the Issuer. The underwriter(s) has financial and other interests that differ from those of the Issuer.
- (iii) Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is therefore, not required to act in the best interests of the Issuer without regard to its own financial or other interests.
- (iv) The underwriter(s) has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell the securities to investors at prices that are fair and reasonable.
- (v) The underwriter(s) will review the official statements for the Bonds in accordance with, and as part of, its responsibilities to investors under federal securities laws, as applied to the facts and circumstances of each transaction¹.

¹ Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriter is solely for purposes of satisfying the underwriter's

II. Disclosures Relating to the Underwriter's Compensation

The underwriter(s) will be compensated by a fee and/or an underwriting discount that will be set forth in the Bond purchase agreements to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fees or discounts will be contingent on the closing of the transactions and the amount of compensation may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter(s) may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

III. Additional Conflicts Disclosures

Stifel has not identified any additional potential or actual material conflicts that require disclosure.

IV. Disclosures Relating to Complex Municipal Securities Financing

Since Stifel has not recommended a "complex municipal securities financing" to the Issuer, additional disclosures regarding the financing structure for the Bonds are not required under MSRB Rule G-17.

In accordance with the requirements of MSRB Rule G-17, if Stifel recommends, or if the Bonds are ultimately structured in a manner considered a "complex municipal securities financing" to Issuer, this letter will be supplemented to provide disclosure of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and are reasonably foreseeable at that time.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

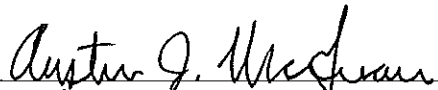
It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

We are required to seek your acknowledgement of receipt of this letter. Accordingly, please send me an email to that effect or sign and return the enclosed copy of this letter to me at the address set forth below. Depending on the structure of the transaction that the Issuer decides to pursue, or if additional potential or actual material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

We look forward to working with you and the Issuer in connection with the issuance of the Bonds.

Sincerely,

STIFEL NICOLAUS & COMPANY, INC.


Austin J. McGuan

Acknowledgement:

BRECKSVILLE-BROADVIEW HEIGHTS CSD

Jeff Hall, Treasurer

Date: _____, 2018

CC : Joelle Magyar, Superintendent
Michael Prcela, Sudsina & Assoc., Financial Advisor
John Larson, Squire Patton Boggs, Bond Counsel
Mike Armagno, PNC Capital Markets, LLC