



Ziegler is pleased to offer members, attendees and friends of your church or school the opportunity to invest in the future of the organization. As part of your financing with Ziegler, your membership can have the first choice of any bonds that are issued as part of a Ziegler financing through a “local sale.”

WHAT IS A LOCAL SALE?

A local sale consists of any activities conducted with the assistance of a bond issuer to market its bonds to its members, attendees, families, or benefactors. Outlined below are reasons why the sale of bonds *within* your organization might make sense.

WHY HAVE A LOCAL SALE?

Keep the interest home

When your members invest, the interest paid on your loan is paid directly to members and supporters who purchased bonds. This keeps the money within your community.

Enhance your stewardship efforts by appealing to various groups within your church

Member profile #1: The Giver. Members who purchase bonds may be willing to donate back to the organization either the principal amount of the bond at maturity, the interest received — or both. A few years after your bond sale, opportunities may present themselves where members are willing to gift the bonds back to you. A gift of previously purchased bonds is treated the same as any normal charitable contribution and can be fully deductible for tax purposes to the donor.

Member profile #2: The Investor. Many of your members and attendees are searching for investment opportunities, whether for retirement or college savings, or for income. However, churches are sometimes concerned that a bond sale may interfere with an ongoing capital campaign. We have found that many people who purchase bonds do so through their IRA or other retirement vehicles. This is a different “pocket,” so to speak, from the “pocket” they use for their building fund or capital contributions. They will distinguish *investments* from *donations*.



Member profile #3: The Giver-Investor. Frequently, retired people within a church are enthused about purchasing a large block of bonds, then using the interest income for living expenses and donating the principal back to the church as part of an overall estate plan. They invest *and* donate.

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Create affinity with your members

Members who invest in church bonds enhance their affinity with your organization, and have a stronger interest in making sure your mission succeeds. Members who own bonds are more likely to financially support the church, and less likely to leave over minor doctrinal matters or the like.

Invest in a “Main Street” organization

With recent fluctuations in the stock market and scandals in corporate America (Enron, Worldcom, Tyco, etc.), many people are confused about where to invest their money. Your organization is a symbol of community trust, and an easy investment to understand. With many other fixed income investments currently yielding very low rates of return, church bonds can be an attractive alternative for your members and attendees to consider.

Additionally, by making bonds available through a local sale, your supporters can invest in a socially responsible investment that matches their values.

Lower underwriting cost for the financing

Offering bonds to members is not required with a Ziegler financing, and we will not have any difficulty “firm” underwriting your financing. However, bonds sold to members and friends of your organization do carry a lower underwriting charge. This is because it saves Ziegler the marketing cost to find new investors.

WHAT MENU OF OPTIONS DO WE HAVE FOR A LOCAL SALE?

If you would like to have a local sale, Ziegler will arrange the marketing events to best fit the needs of your organization’s specific situation. Generally, organizations choose from one of three approaches:

Option #1: Information on bond investing is made available on an informal basis. With this option, the possibility of investing in bonds will be discussed informally by church leadership, and interested individuals will be asked to contact Ziegler directly for a confidential follow-up.

Option #2: Information on bond investing is made available via church communication. With this option, Ziegler will prepare letters, bulletin announcements and pulpit announcements that can be used by the church to communicate to members and attendees. Follow-up with interested parties will be handled individually and confidentially by a Ziegler financial advisor.

Option #3: Educational seminar and presentation. With this option, Ziegler will conduct educational presentation(s) at your church where potential investors will be able to learn about the investment opportunity and ask questions—without obligation. Certain components of options #1 and #2 will also be utilized here. The Ziegler financial advisor who gives the presentation will be a registered representative who is licensed to sell securities in your state, and he or she will have extensive experience with church bonds.



Many church members find an educational seminar to be very helpful, and it can be a large part of local sale success. As part of this option, Ziegler’s financial advisor will typically be available at the church as long as is needed after the presentation to meet individually and privately with interested people, and will schedule time to visit with anyone who cannot attend that day.

INVEST IN YOUR CHURCH

PAGE 3

WHO STARTS THE LOCAL SALE PROCESS?

If you're considering whether a local sale should be part of your bond issue, your Ziegler investment banker can provide sample materials that demonstrate how the members will be contacted. Your investment banker can also discuss the type of marketing activities that might be most appropriate for your organization, considering the purpose of the bond issue, other fund-raising efforts, the financial resources of members/friends, and any other sensitivities within the organization.

WHAT HELPS MAKE A LOCAL SALE SUCCESSFUL?

The most successful local sales happen when your leadership is enthusiastic and committed to the opportunity. A multifaceted approach (letters distributed or mailed to members + bulletin or pulpit announcements + a presentation and on-site meetings) is likely to generate the greatest level of interest, but when the Church leadership is supportive, even a simple communication effort can generate interest.

WHEN SHOULD YOU HAVE THE LOCAL SALE?

If you choose to have a presentation, the date of the presentation should be two weeks in advance of the bond issue coming to market, if possible.

Ideally, any local marketing effort handled through the church should be conducted *after* most of the details of the proposed new issue are near final, but *before* the bonds are marketed to Ziegler retail investor clients.

Church bonds are an attractive investment, and Ziegler has experienced strong demand from its clientele. For that reason, Ziegler will establish and communicate a date by which church members should indicate their interest in investing. Those who respond to Ziegler *later* may not be able to get access to the bonds they prefer.

To help church members have the best opportunity, Ziegler strives to have their requests in queue first, before the remaining bonds are made available to Ziegler financial advisors to sell to their clients nationwide.

HOW DO WE GET STARTED?

Once you've selected the kind of local marketing you desire, Ziegler will ask you to take the following actions, as applicable to your choice:

- Choose a date and time for the presentation
- Designate a staff member to work with Ziegler on sale logistics and arrangements
- Schedule room location(s) for the presentation and reserve a small office where the investment consultant can meet privately with prospective investors (ideally, the office should have a phone)
- Review and approve drafts of all letters or announcements to church members about the bond offering/ local sale of bonds
- Distribute letters/invitations to church members in advance of the sale (Ziegler will supply a draft and work with you until it is approved for use)

If you have a request regarding the type or amount of marketing activities that can be part of a local sale effort, please feel free to make suggestions to your Ziegler investment banker. Each sale is planned individually, to allow the greatest flexibility, appropriateness and convenience to our underwriting clients.

