

### Sector Review:

## The Ranks Of 'AAA' Municipalities Swell Despite Hard Times

#### Primary Credit Analyst:

Karl Jacob, New York (1) 212-438-2111; karl\_jacob@standardandpoors.com

#### Secondary Credit Analyst:

Daniel Zuccarello, New York 1-212-438-7414; daniel\_zuccarello@standardandpoors.com

### Table Of Contents

---

A Geographically Dispersed Group

Size And Location Don't Matter

Profiles Generally Reflect High Incomes And Low Debt Ratios

Tax Bases Vary Considerably

Differences Between Small And Large Communities

A Broad Spectrum Of Reserve Ratios

A Review Of The 2008 Group's Performance

Solid Practices Keep Communities Resilient

## Sector Review:

# The Ranks Of 'AAA' Municipalities Swell Despite Hard Times

Despite tough economic times, the number of U.S. municipalities with 'AAA' ratings has more than doubled since early 2008, to 169. A total of 86 communities joined this group in the 18 months through August 2009. The large increase reflects ongoing modifications to Standard & Poor's Ratings Services' criteria (see "Ongoing Criteria Changes May Lead To USPF Rating Changes," published on RatingsDirect, May 5, 2008), and our view of the economic, financial, and managerial strength of these municipalities.

Of the new entrants, 65 were upgraded from our 'AA' rating category, while the debt of 21 communities was initially rated 'AAA'. We removed Millburn, N.J., from the 'AAA' list after all of its bonds had matured. Another newcomer, Southampton, N.Y., is currently on CreditWatch with negative implications due to our view of material discrepancies related to internal controls and past financial audits. The New York State Comptroller's Office is reviewing the town's financial position.

Overall, the 'AAA' list (see table 1) has grown from 83 since our last review in January 2008 and from 70 in October 2006.

**Table 1**

| 'AAA' Newcomers* |       |                       |       |
|------------------|-------|-----------------------|-------|
| Municipality     | State | Municipality          | State |
| Acton Twn        | MA    | Kirkland              | WA    |
| Addison          | TX    | Lafayette             | CA    |
| Albuquerque      | NM    | Laguna Beach          | CA    |
| Apex             | NC    | Lake Forest           | CA    |
| Arlington        | MA    | Madison Boro          | NJ    |
| Austin           | TX    | Marblehead Twn        | MA    |
| Bellaire         | TX    | Mendham Twp           | NJ    |
| Boulder          | CO    | Mill Vy               | CA    |
| Bowie            | MD    | Minnetonka Beach Vill | MN    |
| Branford         | CT    | Mission Viejo         | CA    |
| Brentwood        | TN    | Montville Twp         | NJ    |
| Bunker Hill Vill | TX    | Natick                | MA    |
| Camarillo        | CA    | New Albany Vill       | OH    |
| Campbell         | CA    | New Fairfield         | CT    |
| Canton           | MA    | Norwell               | MA    |
| Carlsbad         | CA    | Oakland Charter Twp   | MI    |
| Carrollton       | TX    | Oklahoma City         | OK    |
| Chanhassen       | MN    | Olympia Fields Vill   | IL    |
| Charleston       | SC    | Ottawa Hills Vill     | OH    |
| Chatham          | MA    | Oyster Bay            | NY    |
| Clarkstown       | NY    | Pasadena              | CA    |

**Table 1**

| 'AAA' Newcomers* (cont.) |    |                 |    |
|--------------------------|----|-----------------|----|
| Clayton                  | MO | Peachtree City  | GA |
| Colleyville              | TX | Redmond         | WA |
| Coppell                  | TX | Richardson      | TX |
| Cranbury Twp             | NJ | Sammamish       | WA |
| Creve Coeur              | MO | San Antonio     | TX |
| Del Mar                  | CA | San Clemente    | CA |
| Denver City & Cnty       | CO | San Jose        | CA |
| Des Moines               | IA | San Ramon       | CA |
| Des Peres                | MO | Solon           | OH |
| Duxbury                  | MA | Southampton Twn | NY |
| Easton                   | CT | Southlake       | TX |
| Fountain Valley          | CA | St. Louis Park  | MN |
| Great Neck               | NY | Sunnyvale       | CA |
| Green Oaks               | IL | Upper Arlington | OH |
| Greenburgh               | NY | West Hollywood  | CA |
| Hempstead                | NY | West Univ Place | TX |
| High Point               | NC | Westwood        | MA |
| Huntington               | NY | Winchester      | MA |
| Huntsville               | AL | Windsor         | CT |
| Indian Hill Vill         | OH | Woodbury        | MN |
| Inverness Village        | IL | Woodcliff Lake  | NJ |
| Islip                    | NY | Wyoming         | OH |

\*January 2008 to August 2009.

## A Geographically Dispersed Group

While the Northeast region still has a higher number of 'AAA's than other regions (see table 2), the trend since 2005 shows strong growth in the West/Southwest and Midwest regions.

**Table 2**

| 'AAA' Municipalities By State And Region |          |           |                |            |           |                |   |
|--|----------|-----------|----------------|------------|-----------|----------------|---|
| Northeast                                | Midwest  |           | West/Southwest |            | Southeast |                |   |
| Massachusetts                            | 21       | Minnesota | 9              | California | 25        | North Carolina | 9 |
| Connecticut                              | 12       | Illinois  | 8              | Texas      | 13        | Florida        | 3 |
| New Jersey                               | 10       | Ohio      | 8              | Washington | 5         | Virginia       | 3 |
| New York                                 | 9        | Michigan  | 4              | Arizona    | 4         | Georgia        | 3 |
| Maryland                                 | 2        | Missouri  | 4              | Oregon     | 2         | Tennessee      | 2 |
| Pennsylvania                             | 1        | Nebraska  | 2              | Colorado   | 2         | Alabama        | 1 |
|  |          | Iowa      | 2              | New Mexico | 1         | South Carolina | 1 |
|  |          | Kansas    | 1              |            |           |                |   |
|  |          | Indiana   | 1              |            |           |                |   |
|  | Oklahoma | 1         |                |            |           |                |   |

## Size And Location Don't Matter

Our examination of 'AAA' rated communities' ratios shows that population size and geographic location have not been influential rating factors. The 'AAA' municipalities come from 30 states (up from 25 states since January 2008) and all regions. There are large cities such as Phoenix (1.5 million residents); San Antonio (1.48 million residents), Texas; and San Jose, Calif. (985,307 residents); and small ones like Minnetonka Beach Village, Minn.; Bannockburn, Ill.; Bloomfield Hills, Mich.; and Bunker Hill Village, Texas, which have fewer than 4,000 residents each. However, both large and small communities almost uniformly share key attributes, such as low unemployment rates and above-average to well-above-average wealth levels.

Grouping municipalities by size and region indicates that per capita market values and wealth levels generally tend to be higher in the north and northeast than in other regions. The fact that these two statistics tend to move in tandem suggests, not surprisingly, a direct link between the wealth of a community and property values. Even though we have observed that large cities generally have lower wealth levels, they still may achieve the highest rating.

## Profiles Generally Reflect High Incomes And Low Debt Ratios

The average overall net debt per capita for the 169 'AAA' rated communities is \$4,249, and the median is \$3,210. Eight communities have overall net debt above \$10,000 per capita, but other factors tend to offset this. For instance, Princeton Township, N.J.'s overall net debt per capita is, in our view, high at \$13,954, but its per capita effective buying income is also what we consider high at 201% of the national average, and its median household effective buying income is 257% of the national average.

In addition, the top-rated municipalities have what we view as a very low average debt-to-market-value ratio of 2.3% and a median of 1.9%, which has only increased slightly since 2005. These communities generally pay off debt at an above-average rate, with about two-thirds of long-term debt retired within 10 years. While such debt retirement schedules can increase fixed costs by accelerating repayment, these municipalities in many cases have policies supporting faster amortization of debt. Typically, they dedicate less than 10% of their general fund and debt service budgets to debt service.

## Tax Bases Vary Considerably

The 'AAA' municipalities have varying types of tax bases. Some are smaller, wealthy, and predominantly residential, and benefit from their close proximity to larger, more dynamic urban economies such as New York, Los Angeles, Chicago, and Boston. Larger municipalities such as Phoenix tend to support their own diverse economies. Stamford, Conn., and Raleigh and Durham, N.C., have strong corporate headquarters presence. The diversity of these economies suggests to us that they will likely be better able to weather a downturn in any sector.

The key ratios of a municipality's economic health that we consider include unemployment, the market value and trend of property valuations, and relative wealth as measured by effective buying income. High per capita property valuation represents a significant investment in property. In economic downturns, we have observed that higher-valued properties typically retain more of their value and may even appreciate in value. Greenwich, Conn., has what we consider a high market value per capita (\$767,472), as do Malibu, Calif. (\$681,878) and Bloomfield

Hills, Mich. (\$590,011). Based on our observations, communities with larger populations tend to have much lower per capita market values: San Antonio (\$48,999), Des Moines, Iowa (\$53,898), Indianapolis (\$56,255), and Oklahoma City (\$58,944).

The average per capita market value for all 'AAA' rated communities is \$219,845, and the median is \$199,992. This is up from eight years ago when the comparable figures were \$129,768 and \$119,112. The strength of the 'AAA' valuations becomes evident, we think, when comparing current per capita market values with our January 2008 report. The current average per capita market value rose to \$219,845 from \$198,799 in January 2008, while the median per capita market value increased to \$199,992 from \$199,433.

## Differences Between Small And Large Communities

Based on our observations, there are some differences among the 'AAA' municipalities, depending on population and location. Larger cities--those with around 250,000 residents or more--have an average per capita value of about \$110,104. Smaller communities--those with fewer than 15,000 people--show what we consider a very high average per capita value of \$334,169. We believe this difference largely reflects the relative homogeneity of smaller communities. Larger municipalities, by contrast, contain a mix of what we view as wealthy, middle-income, and poorer areas that tend to moderate per capita values. For instance, Duxbury, Mass., with a per capita market value of \$250,187, is a wealthy residential suburb of Boston. By contrast, Omaha is a diverse city with a per capita market value of \$60,155. We have observed that the higher per capital valuations of municipalities in the U.S. Northeast and California generally reflect higher housing prices in New Jersey, Connecticut, and Massachusetts, and California, as well as higher incomes. The relationship between per capita effective buying income and market value per capita confirms to us that higher incomes are associated with higher property values.

In addition, most municipalities share what we consider strong employment and income figures, which can offset other areas of weakness. The average wealth levels of Charlottesville, Va.; Tempe, Ariz.; and Columbus, Ohio, are offset by the presence of large and well-regarded state universities. While the large student population generally depresses wealth levels, we believe the intellectual capital helps create jobs and a dynamic economy. Just as the large university presence in Palo Alto, Calif. (Stanford), and Cambridge, Mass. (Harvard and MIT), help generate new businesses and jobs in those areas, Charlottesville (University of Virginia) and Columbus (Ohio State University) reap the benefits of a significant university presence. Raleigh and Durham have higher-than-average wealth levels, but also benefit from the presence of Duke University, Wake Forest University, and the University of North Carolina.

## A Broad Spectrum Of Reserve Ratios

The median balance of unreserved general funds (which include only funds not reserved for some specific purpose as a percentage of operating expenditures for all 'AAA' municipalities) is approximately 30.4%, up from 22% in 2005. Reserves of this magnitude provide local governments with flexibility in dealing with events such as an unexpected shortfall in revenues or rise in expenses.

Unreserved fund balances range widely, from nearly 800% of operating expenditures for the small budget of Bannockburn to a low of less than 5% for communities such as Weston, Mass., and Greenwich, Fairfield, and Stamford, Conn. (see table 3). This is a function of many factors, in our view, including the size of reserves to

general fund budgets. We do not prescribe an optimum fund balance level to achieve a 'AAA' rating; rather, we are more concerned about our view of the predictability of a municipality's revenues, its policies and procedures, and its record of following these practices. In assessing a community's financial position, we also take into account available reserves held outside the general fund.

Almost 90% of the 169 municipalities maintained a "strong" or "good" Financial Management Assessment score, which indicates our view that there has been a fair amount of planning and policies.

Table 3

| <b>'AAA' Municipalities--Key Data And Ratios</b> |              |                   |                                |                                 |                                     |  |   |                                  |                                    |                                    |                                     |
|--|--------------|-------------------|--------------------------------|---------------------------------|-------------------------------------|--|---|----------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| <b>Municipality</b>                              | <b>State</b> | <b>Population</b> | <b>Household EBI as % U.S.</b> | <b>Per capita EBI as % U.S.</b> | <b>Total market value (Mil. \$)</b> | <b>Per capita market value (\$000)</b> | <b>General fund balance % expenditure</b> | <b>Unreserved fund balance %</b> | <b>Total direct debt (Mil. \$)</b> | <b>Overall debt % market value</b> | <b>Overall debt per capita (\$)</b> |
| Acton Twn  | MA           | 20,511            | 197                            | 200                             | 4,102,027                           | 199,992                                | 11.7                                      | 7.4                              | 47,753                             | 1.0                                | 1,997                               |
| Addison  | TX           | 14,088            | 111                            | 175                             | 3,724,827                           | 264,397                                | 42.8                                      | 41.5                             | 86,440                             | 3.4                                | 9,048                               |
| Albuquerque                                      | NM           | 510,394           | 94                             | 99                              | 38,614,153                          | 75,656                                 | 13.9                                      | 12.8                             | 686,527                            | 2.3                                | 1,705                               |
| Alexandria                                       | VA           | 141,675           | 142                            | 191                             | 34,379,163                          | 242,662                                | 13.9                                      | 13.2                             | 397,515                            | 1.2                                | 2,806                               |
| Alpharetta                                       | GA           | 42,183            | 162                            | 178                             | 11,115,803                          | 263,514                                | 52.7                                      | 52.6                             | 50,408                             | 0.7                                | 1,825                               |
| Apex   | NC           | 34,831            | 158                            | 132                             | 4,204,012                           | 120,611                                | 59.4                                      | 47.5                             | 24,626                             | 2.0                                | 2,441                               |
| Arlington  | MA           | 40,869            | 139                            | 162                             | 7,189,083                           | 175,906                                | 9.4                                       | 7.8                              | 63,133                             | 0.7                                | 1,150                               |
| Austin   | TX           | 752,666           | 97                             | 107                             | 76,455,461                          | 101,580                                | 15.4                                      | 14.8                             | 836,398                            | 2.4                                | 2,470                               |
| Avon   | CT           | 17,554            | 196                            | 246                             | 3,231,154                           | 184,069                                | 6.1                                       | 6.1                              | 41,082                             | 1.2                                | 2,283                               |
| Bannockburn                                      | IL           | 1,454             | 311                            | 182                             | 458,385                             | 315,258                                | 877.6                                     | 800.1                            | 6,754                              | 1.5                                | 4,645                               |
| Barnstable                                       | MA           | 46,906            | 109                            | 124                             | 14,544,783                          | 310,084                                | 17.1                                      | 15.6                             | 145,433                            | 0.6                                | 1,821                               |
| Bedford  | MA           | 13,092            | 195                            | 188                             | 2,946,953                           | 225,096                                | 14.6                                      | 11.8                             | 88,833                             | 2.1                                | 4,828                               |
| Bedford Twn                                      | NY           | 18,737            | 202                            | 213                             | 6,454,156                           | 347,427                                | 39.5                                      | 37.4                             | 22,810                             | 1.2                                | 1,217                               |
| Bellaire   | TX           | 17,206            | 209                            | 244                             | 3,198,441                           | 185,891                                | 32.4                                      | 31.6                             | 63,960                             | 4.4                                | 8,220                               |
| Bellevue   | WA           | 115,797           | 138                            | 164                             | 31,398,247                          | 271,149                                | 19.1                                      | 19.1                             | 152,495                            | 1.6                                | 4,458                               |
| Bernards   | NJ           | 26,904            | 247                            | 250                             | 5,452,590                           | 205,797                                | 60.1                                      | 51.9                             | 17,805                             | 1.4                                | 2,882                               |
| Beverly Hills                                    | CA           | 35,803            | 170                            | 277                             | 18,198,107                          | 508,284                                | 64.1                                      | 51.3                             | 283,830                            | 2.8                                | 14,147                              |
| Birmingham                                       | MI           | 19,201            | 164                            | 261                             | 5,851,521                           | 304,751                                | 51.3                                      | 49.9                             | 53,075                             | 18.0                               | 54,689                              |
| Bloomfield Hills                                 | MI           | 3,672             | 326                            | 469                             | 2,166,522                           | 590,011                                | 59.4                                      | 55.8                             | 5,281                              | 0.8                                | 4,636                               |
| Bloomington                                      | MN           | 85,504            | 118                            | 134                             | 12,502,745                          | 146,224                                | 37.8                                      | 36.6                             | 81,210                             | 2.2                                | 3,193                               |
| Boca Raton                                       | FL           | 85,293            | 141                            | 217                             | 24,425,002                          | 286,366                                | 43.8                                      | 43.0                             | 167,194                            | 0.6                                | 1,764                               |
| Boulder  | CO           | 103,650           | 98                             | 117                             | 18,685,545                          | 180,275                                | 27.2                                      | 23.3                             | 204,664                            | 0.5                                | 910                                 |
| Bowie  | MD           | 53,167            | 175                            | 144                             | 6,159,240                           | 115,847                                | 79.8                                      | 78.9                             | 18,768                             | 1.6                                | 1,803                               |
| Branford   | CT           | 29,012            | 126                            | 144                             | 5,877,909                           | 202,603                                | 17.3                                      | 16.9                             | 52,344                             | 0.8                                | 1,606                               |
| Brentwood  | TN           | 35,262            | 254                            | 235                             | 8,654,835                           | 245,444                                | 99.8                                      | 99.8                             | 42,944                             | 1.7                                | 4,211                               |
| Bunker Hill Vill                                 | TX           | 3,759             | 373                            | 413                             | 1,235,747                           | 328,744                                | 78.1                                      | 76.7                             | 13,205                             | 5.2                                | 16,945                              |
| Camarillo  | CA           | 64,462            | 149                            | 142                             | 9,964,062                           | 154,573                                | 150.9                                     | 101.4                            | 80,513                             | 1.4                                | 2,110                               |
| Cambridge  | MA           | 102,229           | 113                            | 141                             | 23,876,058                          | 233,555                                | 44.4                                      | 39.8                             | 370,082                            | 1.0                                | 2,437                               |
| Campbell   | CA           | 38,699            | 147                            | 150                             | 5,983,519                           | 154,617                                | 85.0                                      | 81.4                             | 46,985                             | 2.6                                | 3,984                               |
| Canton   | MA           | 21,980            | 146                            | 148                             | 4,487,450                           | 204,161                                | 8.1                                       | 7.1                              | 65,696                             | 0.9                                | 1,824                               |

Table 3

| 'AAA' Municipalities--Key Data And Ratios (cont.) |    |         |     |     |             |         |       |       |           |     |        |
|---|----|---------|-----|-----|-------------|---------|-------|-------|-----------|-----|--------|
| Carlsbad  | CA | 103,811 | 164 | 179 | 24,400,000  | 235,043 | 119.1 | 63.5  | 18,540    | 1.7 | 4,092  |
| Carrollton  | TX | 120,553 | 141 | 120 | 9,086,432   | 75,373  | 22.5  | 21.8  | 176,990   | 5.7 | 4,256  |
| Cary  | NC | 130,716 | 164 | 148 | 13,915,372  | 106,455 | 66.7  | 49.7  | 251,730   | 3.0 | 3,209  |
| Cerritos  | CA | 52,096  | 162 | 114 | 6,824,297   | 130,995 | 235.4 | 107.1 | 182,300   | 3.3 | 4,343  |
| Chandler  | AZ | 236,517 | 138 | 113 | 28,122,916  | 102,209 | 126.6 | 110.6 | 482,690   | 2.7 | 2,751  |
| Chanhassen  | MN | 24,321  | 183 | 162 | 3,883,681   | 159,684 | 62.4  | 62.3  | 36,845    | 3.8 | 5,994  |
| Chapel Hill                                       | NC | 51,032  | 92  | 110 | 5,659,756   | 110,906 | 46.5  | 24.6  | 57,283    | 2.1 | 2,294  |
| Charleston  | SC | 104,053 | 86  | 106 | 16,615,314  | 159,681 | 24.9  | 24.8  | 148,206   | 2.0 | 3,210  |
| Charlotte   | NC | 695,995 | 104 | 120 | 72,629,697  | 104,354 | 33.6  | 25.7  | 3,887,443 | 7.2 | 7,508  |
| Charlottesville                                   | VA | 40,000  | 75  | 89  | 5,296,137   | 132,403 | 25.4  | 24.1  | 99,511    | 1.9 | 2,488  |
| Chatham   | MA | 6,791   | 106 | 140 | 6,411,698   | 944,146 | 17.8  | 10.5  | 47,870    | 0.6 | 5,195  |
| Clarkstown  | NY | 82,082  | 170 | 151 | 16,219,233  | 197,598 | 15.4  | 11.6  | 88,320    | 1.4 | 2,765  |
| Clayton   | MO | 12,762  | 142 | 213 | 3,873,568   | 303,524 | 63.3  | 63.0  | 22,785    | 1.2 | 3,604  |
| Colleyville                                       | TX | 23,587  | 242 | 224 | 3,446,562   | 146,121 | 50.7  | 50.7  | 16,275    | 2.6 | 3,827  |
| Columbus  | OH | 732,084 | 86  | 91  | 46,572,521  | 63,616  | 18.0  | 15.4  | 2,986,633 | 6.8 | 4,334  |
| Coppell   | TX | 39,565  | 208 | 189 | 4,608,759   | 116,486 | 78.6  | 64.5  | 101,188   | 5.1 | 5,931  |
| Coral Springs                                     | FL | 127,312 | 138 | 118 | 10,397,223  | 81,667  | 53.5  | 52.7  | 69,960    | 0.8 | 678    |
| Cranbury Twp                                      | NJ | 4,227   | 252 | 252 | 1,830,985   | 433,164 | 40.2  | 37.2  | 23,404    | 2.7 | 11,561 |
| Creve Coeur                                       | MO | 16,625  | 157 | 211 | 4,259,914   | 256,235 | 93.3  | 76.9  | 8,456     | 0.9 | 2,301  |
| Del Mar   | CA | 4,580   | 192 | 285 | 2,332,913   | 464,664 | 25.1  | 24.1  | 4,493     | 0.6 | 2,874  |
| Denver City & Cnty                                | CO | 573,231 | 90  | 107 | 78,563,808  | 137,054 | 20.7  | 18.1  | 5,615,075 | 2.9 | 3,985  |
| Des Moines  | IA | 198,682 | 86  | 86  | 10,708,630  | 53,898  | 11.5  | 8.3   | 541,506   | 4.4 | 2,343  |
| Des Peres   | MO | 8,533   | 202 | 189 | 1,660,798   | 194,632 | 61.1  | 59.4  | 40,485    | 1.4 | 2,677  |
| Dover   | MA | 5,641   | 140 | 149 | 2,311,929   | 415,964 | 22.3  | 14.4  | 17,045    | 0.8 | 3,022  |
| Durham  | NC | 210,230 | 91  | 95  | 17,131,530  | 81,489  | 26.2  | 12.7  | 351,215   | 2.7 | 2,211  |
| Duxbury   | MA | 14,595  | 215 | 204 | 3,651,481   | 250,187 | 8.5   | 7.7   | 22,063    | 0.5 | 1,250  |
| Easton  | CT | 7,406   | 270 | 277 | 2,369,351   | 319,923 | 13.2  | 13.2  | 41,886    | 2.3 | 7,246  |
| Edina   | MN | 47,448  | 138 | 193 | 10,674,808  | 224,979 | 51.5  | 51.4  | 80,480    | 1.9 | 4,368  |
| Fairfield   | CT | 58,100  | 181 | 192 | 17,057,835  | 293,594 | 5.5   | 4.4   | 241,192   | 1.3 | 3,682  |
| Fountain Valley                                   | CA | 56,778  | 163 | 122 | 6,594,781   | 116,150 | 120.0 | 118.7 | 45,628    | 2.0 | 2,264  |
| Germantown  | TN | 40,977  | 197 | 196 | 4,936,792   | 120,477 | 73.4  | 67.5  | 36,280    | 3.2 | 3,845  |
| Glastonbury                                       | CT | 33,126  | 171 | 185 | 6,104,000   | 184,266 | 12.8  | 12.4  | 98,090    | 1.4 | 2,612  |
| Glencoe Village                                   | IL | 8,584   | 317 | 382 | 3,327,822   | 387,677 | 25.3  | 14.1  | 14,740    | 2.3 | 8,779  |
| Great Neck  | NY | 9,616   | 162 | 169 | 2,693,402   | 280,096 | 49.0  | 46.9  | 9,885     | 0.8 | 2,234  |
| Green Oaks  | IL | 3,572   | 257 | 234 | 860,134     | 240,799 | 471.9 | 470.6 | 5,923     | 1.5 | 3,494  |
| Greenburgh  | NY | 89,457  | 166 | 191 | 20,222,341  | 226,057 | 40.3  | 34.9  | 53,180    | 1.8 | 4,145  |
| Greensboro  | NC | 258,671 | 85  | 96  | 22,594,700  | 87,349  | 27.7  | 14.6  | 491,434   | 2.4 | 2,062  |
| Greenwich   | CT | 62,076  | 214 | 302 | 47,641,597  | 767,472 | (6.9) | (8.7) | 91,529    | 0.2 | 1,474  |
| Hempstead   | NY | 735,833 | 146 | 121 | 117,374,501 | 159,512 | 59.4  | 57.8  | 334,691   | 1.9 | 3,076  |
| High Point  | NC | 99,955  | 88  | 91  | 9,074,880   | 90,790  | 29.0  | 17.7  | 271,684   | 2.8 | 2,570  |
| Hingham   | MA | 21,978  | 178 | 192 | 6,190,428   | 281,665 | 11.6  | 9.9   | 49,146    | 0.8 | 2,236  |

Table 3

| 'AAA' Municipalities--Key Data And Ratios (cont.) |    |           |     |     |             |         |       |       |           |     |        |
|---|----|-----------|-----|-----|-------------|---------|-------|-------|-----------|-----|--------|
| Hinsdale  | IL | 17,940    | 218 | 265 | 5,525,313   | 307,988 | 16.3  | 15.7  | 12,805    | 1.9 | 5,892  |
| Huntington  | NY | 204,000   | 171 | 162 | 44,457,887  | 217,931 | 65.5  | 12.3  | 130,990   | 1.3 | 2,741  |
| Huntsville  | AL | 173,189   | 97  | 117 | 18,551,563  | 107,117 | 39.5  | 33.5  | 662,359   | 2.0 | 2,116  |
| Indian Hill Vill                                  | OH | 5,893     | 302 | 371 | 2,814,873   | 477,664 | 25.6  | 23.2  | 9,360     | 1.5 | 7,265  |
| Indianapolis                                      | IN | 795,458   | 94  | 100 | 44,748,395  | 56,255  | 20.3  | 13.8  | 2,249,309 | 5.1 | 2,850  |
| Inverness Village                                 | IL | 7,302     | 278 | 329 | 1,639,401   | 224,514 | 213.9 | 213.9 | 9,500     | 2.0 | 4,401  |
| Irving  | TX | 210,150   | 99  | 104 | 20,882,115  | 99,368  | 19.9  | 18.4  | 355,850   | 5.8 | 5,759  |
| Islip   | NY | 327,241   | 143 | 106 | 42,900,000  | 131,096 | 74.4  | 38.3  | 137,040   | 0.3 | 418    |
| Kirkland  | WA | 47,890    | 140 | 178 | 9,865,240   | 205,998 | 21.4  | 21.4  | 26,383    | 2.3 | 4,655  |
| Lafayette   | CA | 24,977    | 216 | 250 | 5,373,902   | 215,154 | 176.0 | 176.0 | 26,160    | 1.9 | 3,824  |
| Laguna Beach                                      | CA | 23,773    | 173 | 261 | 9,752,455   | 383,764 | 54.2  | 40.9  | 6,130     | 0.1 | 258    |
| Lake Forest                                       | CA | 59,650    | 155 | 130 | 10,894,704  | 182,644 | 275.9 | 269.8 | 8,760     | 2.0 | 3,591  |
| Lake Oswego                                       | OR | 36,924    | 139 | 176 | 9,444,931   | 255,794 | 55.3  | 55.3  | 66,775    | 1.5 | 3,862  |
| Lincoln   | MA | 7,902     | 174 | 230 | 1,919,015   | 242,852 | 23.6  | 21.0  | 10,516    | 0.5 | 1,272  |
| Lincoln   | NE | 248,744   | 96  | 97  | 15,653,926  | 62,932  | 33.4  | 29.2  | 946,808   | 3.0 | 1,892  |
| Lower Merion                                      | PA | 58,554    | 189 | 263 | 14,792,823  | 252,636 | 24.3  | 23.9  | 96,570    | 3.2 | 7,960  |
| Madison Boro                                      | NJ | 17,500    | 184 | 174 | 3,669,029   | 209,659 | 42.7  | 39.7  | 27,196    | 1.0 | 2,100  |
| Malibu  | CA | 13,632    | 219 | 296 | 9,295,365   | 681,878 | 106.2 | 105.0 | 18,271    | 1.9 | 12,881 |
| Manhattan Beach                                   | CA | 37,917    | 225 | 290 | 10,861,351  | 286,451 | 34.0  | 30.6  | 45,120    | 0.7 | 1,960  |
| Marblehead Twn                                    | MA | 20,177    | 162 | 207 | 5,350,151   | 265,161 | 13.0  | 11.7  | 44,170    | 0.7 | 1,958  |
| Mendham Twp                                       | NJ | 5,596     | 279 | 293 | 2,132,489   | 381,074 | 36.3  | 27.5  | 15,318    | 1.8 | 2,720  |
| Metro   | OR | 1,614,465 | 92  | 99  | 207,455,844 | 128,498 | 59.2  | 44.9  | 285,429   | 1.2 | 1,537  |
| Mill Vy   | CA | 13,471    | 200 | 287 | 3,579,870   | 265,746 | 35.9  | 33.3  | 15,957    | 0.5 | 1,185  |
| Minneapolis                                       | MN | 382,400   | 88  | 103 | 42,343,170  | 110,730 | 18.7  | 18.2  | 1,343,596 | 3.5 | 3,845  |
| Minnetonka Beach Vill                             | MN | 660       | 281 | 396 | 319,644     | 484,309 | 71.4  | 66.9  | 1,110     | 0.4 | 1,682  |
| Mission Viejo                                     | CA | 95,984    | 179 | 153 | 13,246,125  | 138,003 | 58.6  | 48.4  | 56,112    | 1.4 | 1,859  |
| Montville Twp                                     | NJ | 21,564    | 182 | 184 | 5,436,262   | 252,099 | 18.6  | 11.0  | 65,457    | 1.3 | 3,322  |
| Mountain View                                     | CA | 73,932    | 151 | 173 | 14,216,170  | 192,287 | 123.2 | 95.4  | 80,255    | 2.5 | 4,836  |
| Naperville  | IL | 149,304   | 189 | 157 | 19,854,705  | 132,982 | 23.0  | 22.5  | 164,657   | 2.5 | 3,380  |
| Natick  | MA | 31,921    | 155 | 166 | 6,908,380   | 216,421 | 16.7  | 12.5  | 61,057    | 0.6 | 1,227  |
| Needham   | MA | 28,702    | 184 | 201 | 7,637,636   | 266,101 | 16.2  | 6.2   | 98,811    | 0.8 | 2,139  |
| New Albany Vill                                   | OH | 6,399     | 221 | 293 | 1,628,742   | 254,531 | 86.3  | 76.7  | 27,458    | 5.7 | 14,581 |
| New Fairfield                                     | CT | 14,123    | 185 | 156 | 2,627,574   | 184,871 | 16.0  | 14.0  | 24,200    | 0.9 | 1,688  |
| Northbrook Village                                | IL | 33,350    | 188 | 206 | 7,223,553   | 216,598 | 51.7  | 48.6  | 70,218    | 2.7 | 5,744  |
| Norwalk   | CT | 84,231    | 132 | 145 | 20,898,752  | 248,112 | 13.6  | 13.2  | 250,282   | 1.1 | 2,764  |
| Norwell   | MA | 10,414    | 190 | 184 | 2,496,327   | 239,709 | 20.2  | 8.9   | 26,581    | 0.5 | 1,290  |
| Oakland Charter Twp                               | MI | 16,999    | 207 | 191 | 2,816,732   | 165,700 | 344.7 | 321.8 | 11,645    | 2.6 | 4,371  |
| Oklahoma City                                     | OK | 554,000   | 84  | 89  | 32,655,138  | 58,944  | 27.6  | 26.9  | 539,927   | 2.4 | 1,389  |



Table 3

| 'AAA' Municipalities--Key Data And Ratios (cont.) |    |           |     |     |             |         |       |       |           |     |        |
|---|----|-----------|-----|-----|-------------|---------|-------|-------|-----------|-----|--------|
| Olympia Fields Vill                               | IL | 4,631     | 180 | 179 | 548,074     | 118,349 | 33.1  | 30.9  | 6,110     | 4.8 | 5,676  |
| Omaha   | NE | 440,691   | 89  | 94  | 26,509,936  | 60,155  | 11.1  | 10.4  | 879,211   | 4.9 | 2,915  |
| Ottawa Hills Vill                                 | OH | 4,600     | 190 | 244 | 528,527     | 114,897 | 99.0  | 94.6  | 5,222     | 2.4 | 2,709  |
| Overland Park                                     | KS | 168,673   | 137 | 145 | 17,987,917  | 106,644 | 85.4  | 81.4  | 308,706   | 3.7 | 3,957  |
| Oyster Bay  | NY | 291,845   | 166 | 162 | 68,199,849  | 233,685 | 24.5  | 22.0  | 501,952   | 1.8 | 4,121  |
| Palo Alto   | CA | 63,367    | 190 | 245 | 18,922,488  | 298,617 | 36.7  | 27.1  | 55,768    | 2.0 | 5,976  |
| Pasadena  | CA | 148,534   | 112 | 132 | 18,812,937  | 126,657 | 36.9  | 32.9  | 649,776   | 4.6 | 5,857  |
| Peachtree City                                    | GA | 36,643    | 163 | 138 | 4,952,193   | 135,147 | 44.2  | 42.7  | 20,671    | 1.6 | 2,218  |
| Phoenix   | AZ | 1,513,850 | 97  | 91  | 140,052,671 | 92,514  | 26.3  | 18.7  | 5,982,759 | 5.3 | 4,937  |
| Plano   | TX | 261,500   | 169 | 172 | 24,825,573  | 94,935  | 22.6  | 17.8  | 371,310   | 6.6 | 6,272  |
| Princeton Township                                | NJ | 16,609    | 201 | 257 | 4,832,799   | 290,975 | 6.7   | 5.7   | 116,212   | 4.8 | 13,954 |
| Raleigh   | NC | 380,173   | 103 | 108 | 47,872,692  | 125,923 | 47.6  | 32.3  | 948,449   | 4.8 | 6,101  |
| Redmond   | WA | 51,320    | 152 | 167 | 12,753,636  | 248,512 | 25.8  | 25.8  | 74,170    | 2.3 | 5,796  |
| Richardson  | TX | 97,450    | 134 | 123 | 9,826,715   | 100,839 | 18.4  | 17.3  | 248,520   | 4.9 | 4,918  |
| Ridgefield  | CT | 23,919    | 222 | 243 | 8,052,661   | 336,664 | 7.1   | 6.5   | 114,711   | 1.4 | 4,675  |
| Ridgewood Village                                 | NJ | 25,508    | 215 | 237 | 6,503,504   | 254,959 | 11.8  | 8.9   | 67,504    | 1.8 | 4,581  |
| Rochester   | MN | 100,845   | 112 | 115 | 8,721,459   | 86,484  | 43.4  | 42.4  | 245,070   | 3.2 | 2,798  |
| Rockville   | MD | 63,170    | 163 | 151 | 10,543,205  | 166,902 | 31.7  | 28.7  | 112,197   | 2.4 | 4,076  |
| Roswell   | GA | 88,687    | 160 | 165 | 11,535,720  | 130,072 | 81.0  | 79.4  | 36,805    | 0.6 | 727    |
| Sammamish   | WA | 40,550    | 229 | 200 | 8,739,143   | 215,515 | 87.3  | 87.3  | 11,125    | 1.5 | 3,244  |
| San Antonio                                       | TX | 1,487,626 | 93  | 87  | 72,891,817  | 48,999  | 27.9  | 25.9  | 1,228,355 | 5.6 | 2,744  |
| San Clemente                                      | CA | 67,892    | 146 | 152 | 12,761,558  | 187,969 | 54.3  | 43.3  | 2,940     | 1.8 | 3,376  |
| San Jose  | CA | 985,307   | 152 | 117 | 124,288,184 | 126,142 | 39.6  | 32.7  | 1,334,232 | 3.1 | 3,959  |
| San Ramon   | CA | 59,002    | 209 | 201 | 14,992,249  | 244,821 | 103.0 | 101.2 | 103,262   | 2.5 | 6,052  |
| Santa Monica                                      | CA | 90,589    | 123 | 212 | 21,122,724  | 233,171 | 62.0  | 28.2  | 198,233   | 2.2 | 5,028  |
| Saratoga  | CA | 32,308    | 285 | 291 | 8,755,510   | 271,001 | 60.6  | 60.1  | 13,890    | 2.4 | 6,520  |
| Scottsdale  | AZ | 233,163   | 132 | 181 | 57,030,549  | 244,595 | 24.5  | 24.2  | 1,176,829 | 3.0 | 7,260  |
| Seattle   | WA | 586,200   | 106 | 139 | 121,621,131 | 207,474 | 51.6  | 31.2  | 670,303   | 1.6 | 3,287  |
| Sherborn  | MA | 4,217     | 238 | 265 | 1,199,099   | 284,349 | 11.4  | 9.2   | 13,090    | 1.7 | 4,719  |
| Solon   | OH | 22,421    | 174 | 165 | 3,704,016   | 165,203 | 104.6 | 95.0  | 10,150    | 1.0 | 1,650  |
| Southampton Twn                                   | NY | 59,813    | 120 | 152 | 56,103,315  | 937,979 | 53.3  | 41.6  | 165,331   | 0.9 | 7,935  |
| Southlake   | TX | 27,635    | 298 | 233 | 5,226,037   | 189,109 | 57.6  | 56.7  | 165,107   | 4.9 | 9,324  |
| St Louis Pk                                       | MN | 43,168    | 108 | 128 | 5,916,736   | 137,063 | 47.6  | 47.5  | 34,275    | 1.6 | 2,240  |
| St Paul   | MN | 286,620   | 89  | 91  | 25,196,588  | 87,909  | 19.8  | 17.9  | 661,654   | 2.4 | 2,094  |
| Stamford  | CT | 119,009   | 130 | 153 | 34,402,454  | 289,074 | 3.9   | 2.9   | 435,693   | 1.0 | 2,955  |
| Sudbury   | MA | 16,933    | 255 | 253 | 4,522,988   | 267,111 | 11.3  | 1.5   | 42,420    | 0.8 | 2,092  |
| Summit  | NJ | 21,026    | 204 | 261 | 4,338,550   | 205,589 | 35.8  | 23.1  | 64,688    | 2.2 | 2,941  |
| Sunnyvale   | CA | 137,538   | 164 | 161 | 24,725,257  | 179,770 | 100.7 | 75.1  | 44,745    | 2.6 | 4,580  |
| Tempe   | AZ | 172,039   | 98  | 102 | 18,421,003  | 107,075 | 57.1  | 54.5  | 732,125   | 4.6 | 4,964  |

**Table 3**

| 'AAA' Municipalities--Key Data And Ratios (cont.) |    |         |     |     |            |         |       |       |           |     |        |
|---|----|---------|-----|-----|------------|---------|-------|-------|-----------|-----|--------|
| Town & Country                                    | MO | 10,913  | 275 | 311 | 2,872,917  | 265,152 | 135.0 | 134.1 | 6,740     | 0.3 | 618    |
| Troy  | MI | 81,118  | 162 | 157 | 12,454,188 | 153,532 | 37.7  | 36.7  | 74,219    | 2.3 | 3,574  |
| Upper Arlington                                   | OH | 31,746  | 161 | 188 | 4,430,799  | 139,570 | 100.7 | 97.6  | 31,675    | 1.7 | 2,343  |
| Virginia Beach                                    | VA | 436,270 | 115 | 108 | 56,673,434 | 129,904 | 24.2  | 22.8  | 1,143,400 | 1.7 | 2,249  |
| Wellesley   | MA | 26,555  | 226 | 232 | 10,029,555 | 377,690 | 14.5  | 12.4  | 84,145    | 0.8 | 2,825  |
| West Des Moines                                   | IA | 55,517  | 115 | 135 | 5,693,348  | 102,551 | 30.4  | 30.4  | 132,367   | 3.0 | 3,027  |
| West Hartford                                     | CT | 63,062  | 135 | 148 | 8,614,600  | 136,605 | 7.0   | 6.9   | 160,995   | 2.2 | 2,976  |
| West Hollywood                                    | CA | 37,213  | 101 | 191 | 7,245,875  | 194,714 | 151.8 | 131.3 | 20,725    | 2.6 | 5,134  |
| West University Place                             | TX | 15,427  | 285 | 328 | 3,747,915  | 242,945 | 26.6  | 22.7  | 84,289    | 5.3 | 12,884 |
| West Windsor                                      | NJ | 27,392  | 251 | 227 | 6,303,495  | 230,122 | 25.6  | 22.1  | 36,901    | 2.0 | 4,477  |
| Westlake  | OH | 31,972  | 141 | 177 | 4,323,339  | 135,223 | 137.5 | 104.1 | 18,623    | 1.4 | 1,828  |
| Weston  | MA | 11,606  | 315 | 338 | 4,855,540  | 419,268 | 10.9  | 5.6   | 109,613   | 1.1 | 9,445  |
| Weston  | FL | 66,268  | 197 | 184 | 6,612,427  | 107,294 | 151.7 | 149.1 | 20,718    | 0.6 | 612    |
| Westwood  | MA | 13,727  | 187 | 213 | 3,906,162  | 284,561 | 6.5   | 4.9   | 42,750    | 0.4 | 1,266  |
| Winchester  | MA | 21,034  | 202 | 236 | 5,616,058  | 266,999 | 14.7  | 10.5  | 70,299    | 1.0 | 2,700  |
| Windsor   | CT | 28,725  | 140 | 126 | 4,627,723  | 161,104 | 15.8  | 15.6  | 42,800    | 1.2 | 1,871  |
| Winston-Salem                                     | NC | 224,889 | 83  | 96  | 19,626,501 | 87,272  | 23.4  | 21.7  | 575,250   | 4.2 | 3,671  |
| Woodbury  | MN | 59,048  | 169 | 156 | 8,211,693  | 139,068 | 42.9  | 42.3  | 59,617    | 3.8 | 5,310  |
| Woodcliff Lake                                    | NJ | 6,005   | 268 | 273 | 2,245,069  | 373,867 | 38.6  | 16.8  | 7,280     | 1.6 | 6,002  |
| Wyoming   | OH | 8,372   | 189 | 180 | 886,345    | 105,870 | 41.2  | 38.1  | 19,856    | 3.7 | 3,874  |
| Yorba Linda                                       | CA | 67,690  | 202 | 168 | 10,904,681 | 161,097 | 168.1 | 132.2 | 80,939    | 2.6 | 4,132  |
| Average   |    | 134,472 | 170 | 185 | 17,830,549 | 219,845 | 57.8  | 50.5  | 296,371   | 2.3 | 4,249  |
| Median  |    | 40,977  | 163 | 174 | 8,614,600  | 199,992 | 36.7  | 30.4  | 66,775    | 1.9 | 3,210  |

EBI--Effective buying income

## A Review Of The 2008 Group's Performance

Our review of the performance of the 83 'AAA' communities that were on our January 2008 list revealed some of the following information (see table 3). Both average and median household and effective buying income levels in August 2009 were stronger than in January 2008. The same was true for market value and market value per capita. Average fund balance levels increased but remained about the same on a median basis. However, debt ratios have risen, with average overall debt per capita in particular much higher than in 2008. The rise in debt levels has not affected our view of credit quality, given what we consider to be the strong wealth and market value characteristics of these municipalities. While we believe the recession's full effects have yet to be felt, these strong ratios indicate to us that the group is faring well despite a soft economy, thanks to their strong reserves and well-managed operations.

Table 4

| Performance Of Key Measures For January 2008 Group Of 'AAA' Municipalities |            |                         |                          |                              |                                 |                                    |                           |                             |                             |                              |
|--|------------|-------------------------|--------------------------|------------------------------|---------------------------------|------------------------------------|---------------------------|-----------------------------|-----------------------------|------------------------------|
| Municipality   | Population | Household EBI as % U.S. | Per capita EBI as % U.S. | Total market value (Mil. \$) | Per capita market value (\$000) | General fund balance % expenditure | Unreserved fund balance % | Total direct debt (Mil. \$) | Overall debt % market value | Overall debt per capita (\$) |
| August 2009 Average  | 140,977    | 165                     | 185                      | 18,800                       | 220                             | 53                                 | 45                        | 401                         | 2.5                         | 4,620                        |
| January 2008 Average   | 137,781    | 159                     | 183                      | 15,790                       | 199                             | 47                                 | 39                        | 361                         | 2.2                         | 3,624                        |
| August 2009 Median   | 60,315     | 162                     | 177                      | 10,883                       | 212                             | 29                                 | 24                        | 100                         | 2.0                         | 3,333                        |
| January 2008 Median  | 58,740     | 139                     | 166                      | 9,541                        | 199                             | 30                                 | 24                        | 85                          | 2                           | 3,003                        |

EBI--Effective buying income

## Solid Practices Keep Communities Resilient

'AAA' municipalities may exhibit what we consider to be very strong credit quality, but we recognize that they are not immune to economic problems. Standard & Poor's continues to pay particular attention to the recession's impact on 'AAA' rated communities, and how these municipalities are coping with a softer housing and real estate market, rising health care and energy costs, pension performance, and postemployment benefit obligations. We expect that their long-standing practices and demonstrated management skills will continue to promote strong performance. In our view, to date, the 'AAA' communities have shown an ability to manage through all economic cycles. As other communities master these issues, we believe there likely will be more additions to the 'AAA' list next year.

Table 5

| Glossary                                     |   |
|--|---|
| General fund balance/expenditures            | The annual dollar amount of reserves the municipality has in its general fund as a percentage of general fund expenditures at the end of the fiscal year. Source: Audits and Comprehensive Annual Financial Reports of the municipalities.  |
| Household EBI % of U.S.                      | Effective buying income measures income after taxes. Household EBI measures income on a household basis, regardless of the number of family members and compares it on a ratio basis to a national average. Source: Claritas Inc.   |
| Per capita market value                      | Total market value divided by population.   |
| Overall net debt % of market value           | Overall net debt to market value. A ratio of the dollar value of debt to the value of the underlying tax base. This number provides insight into how heavy or light the debt burden is on taxable property. Source: Official statements of municipalities and Comprehensive Annual Financial Reports. |
| Overall net debt per capita                  | This number generally includes underlying and overlapping debt, and indicates how heavy the debt burden is for residents. Source: Official statements of municipalities and Comprehensive Annual Financial Reports.   |
| Per capita EBI % of U.S.                     | Per capita effective buying income measures aftertax income on a per person basis as a ratio of the nation's PC EBI. Source: Claritas Inc.  |
| Population                                   | The number of residents in the community. Source: Bureau of the Census.   |
| Total direct debt                            | The total amount of debt the issuer is directly responsible for repaying. It excludes overlapping and underlying debt.  |
| Total market value                           | The value of the municipality's taxable property. Source: Official statements of the municipalities.  |
| Unreserved general fund balance/expenditures | Similar to total general fund balance, but more restrictive because only those funds not reserved for some specific purpose are included. Source: Audits and Comprehensive Annual Financial Reports of the municipalities.  |

Copyright © 2009 by Standard & Poors Financial Services LLC (S&P), a subsidiary of The McGraw-Hill Companies, Inc. All rights reserved. No part of this information may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P. S&P, its affiliates, and/or their third-party providers have exclusive proprietary rights in the information, including ratings, credit-related analyses and data, provided herein. This information shall not be used for any unlawful or unauthorized purposes. Neither S&P, nor its affiliates, nor their third-party providers guarantee the accuracy, completeness, timeliness or availability of any information. S&P, its affiliates or their third-party providers and their directors, officers, shareholders, employees or agents are not responsible for any errors or omissions, regardless of the cause, or for the results obtained from the use of such information. S&P, ITS AFFILIATES AND THEIR THIRD-PARTY PROVIDERS DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall S&P, its affiliates or their third-party providers and their directors, officers, shareholders, employees or agents be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the information contained herein even if advised of the possibility of such damages.

The ratings and credit-related analyses of S&P and its affiliates and the observations contained herein are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or make any investment decisions. S&P assumes no obligation to update any information following publication. Users of the information contained herein should not rely on any of it in making any investment decision. S&P's opinions and analyses do not address the suitability of any security. S&P does not act as a fiduciary or an investment advisor. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of each of these activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P's Ratings Services business may receive compensation for its ratings and credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge) and [www.ratingsdirect.com](http://www.ratingsdirect.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

Any Passwords/user IDs issued by S&P to users are single user-dedicated and may ONLY be used by the individual to whom they have been assigned. No sharing of passwords/user IDs and no simultaneous access via the same password/user ID is permitted. To reprint, translate, or use the data or information other than as provided herein, contact Client Services, 55 Water Street, New York, NY 10041; (1)212.438.7280 or by e-mail to: [research\\_request@standardandpoors.com](mailto:research_request@standardandpoors.com).

Copyright © 1994-2009 by Standard & Poors Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. All Rights Reserved.