A.C. Advisory is nationally recognized for its commitment to clients, as well as its market and pricing acumen, innovative product development, rigorous quantitative analysis, and lucid idea evaluation. **Since 2005, A.C. Advisory is the ONLY minority woman-owned firm to be listed among the top-ten financial advisors in the nation.** As an independent financial advisor, A.C. is proud of the relationships we have developed with our clients and would consider it a privilege to serve as financial advisor to the Regional Transportation Authority.

A.C. Advisory has the necessary people and analytic tools required to properly structure any transaction. The Firm's strengths can be summarized into two areas – our local experience and our client and project approach. The Firm has significant experience evaluating revenue opportunities and working on large public projects, such as the Cook County Hospital, the Metropolitan Pier facilities, Soldier's Field, colleges, public schools (for which we have helped raise over $6 billion) and numerous Chicago park projects. The projects we have financed are complex in nature; they involve hedges, reinvestment agreements, equity contributions, restructuring of reserve funds, tax increment financings, developer agreements and more. They are typically multi-government in nature (i.e., Chicago Transit Authority; City of Chicago and City Colleges; State of Illinois, City of Chicago and Metropolitan Pier; and the Federal Government; City of Chicago and Chicago Park District). These projects have also required combined revenue sources, intergovernmental agreements and complex structuring around given constraints. Our local experience and past history with the CTA, O'Hare and Midway Airports, and the City of Chicago has given us a unique insight into the local political situation and all the local stakeholders which will be crucial to a smooth and efficient project execution for the RTA.

Sincerely,

Adela Cepeda

Adela Cepeda, President
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5.2 Experience and Qualifications

The relevant experience of your firm and the proposed employees or sub-consultants should be identified, including background and previous assignments that make them qualified to perform the services described.

The A.C. Advisory team offers the Regional Transportation Authority a unique combination of skills and expertise. **A.C. Advisory is a nationally ranked financial advisory firm with extensive experience in the transportation sector, having worked on over $12.2 billion of transportation related issues with some of the largest transportation issuers in the country. Included** among our clients are the Illinois State Toll Highway Authority, City of Chicago O'Hare International Airport, City of Chicago Midway International Airport, Chicago Transit Authority, State of Connecticut's Special Tax Obligation ("STO") program that finances the Department of Transportation, and the State of New Jersey Transportation Trust Fund Authority. A.C. Advisory is **the only minority owned firm to be recognized as a top ten financial advisor in the nation since 2005**. The Firm has executed over $100 billion of financings on behalf of municipalities since its inception in 1995, including $29.9 billion in the State of Illinois. Our role as financial advisor for the State of Illinois and its related entities is a cornerstone of our business, ensuring that we are informed of the most unique and innovative financing techniques in the industry. According to Thomson Reuters, in 2011, the Firm was ranked ninth in the nation, and third in the State of Illinois.

As a full service independent financial advisory firm, A.C. Advisory is positioned to help the RTA with all aspects of its capital program including analyzing financing alternatives, structuring bonds to meet its objectives, evaluating legal terms to advocate on behalf of the RTA, working seamlessly with the core financing team, leading discussions with the rating agencies and potential credit enhancers and leveraging our strong relationships with the leading underwriters as well as our deep bank credit analysis experience to minimize the RTA's borrowing costs.

Our services encompass developing strategic recommendations on capital funding, financing plans, evaluating financing alternatives and underwriter proposals for the sale of the bonds, providing structuring recommendations, preparing rating agency materials, soliciting credit facilities, and assisting at pricing. At closing we provide a thorough review of all figures and amounts in the legal documentation, including tax levies and abatement amounts, and a review of the underwriting syndicate's performance.

A.C. Advisory has advised on over 95 taxable municipal issues, representing approximately $20 billion of taxable financings, including $13 billion of Build America Bonds. Our significant experience in advising on Build America Bond issues enabled our **Firm to rank fourth nationally on federal stimulus financings in 2010.**

A.C. Advisory professionals have managed competitive transactions for our clients including the Regional Transportation Authority of Illinois, and the State of Illinois the State of Connecticut, the City of New York, and New York City Educational Construction Fund. The Firm has leveraged our quantitative expertise to independently structure, size, and bid 44 competitive issues, representing $6.4 billion worth of bonds since 1995. **In January 2010, our Firm last assisted the Regional Transportation Authority of Illinois to competitively issue $62.175 million tax-exempt bonds and $112.925 million in Build America bonds.**

Regional Transportation Authority (RTA): A.C. Advisory has had the priviledge of serving as financial advisor to the RTA in its January 2010 competitive sale of $62.175 million in tax-exempt bonds and $112.925 million in Build America bonds. Upon the recommendation of the Firm, the RTA was able to attract significant investor interest by selling the Series 2010A tax-exempt bonds in the front end with a 10 year par call while selling Series 2010B Build America Bonds in the back end with a make whole call provision. Based on our analysis, the Series 2010A Bonds were structured in the short end of the yield curve to appeal to retail investors and traditional tax-exempt investors while providing the most benefit to the issuer due to historically low rates. The Series 2010B Bonds were structured to appeal to a broad base of institutional investors, a group that prefers to invest in taxable bonds and longer dated maturities.

In addition to determining the optimal bond structure for the RTA's transaction, A.C. Advisory advised the RTA on the benefits of a competitive sale to sell the bonds. A.C. Advisory also had the role of coordinating the time schedule and market research for timing of the pricings. We assisted and verified in the PARITY account set-up. We coordinated the surety bond process, rating agency presentations, and the Notice of Sale/Instruction to Bidders publications. A.C. Advisory managed the transaction to ensure that the structure presented and the bidding process generated sufficient premium on the Tax-Exempt Bonds to meet the RTA's funding requirements, achieved the lowest TIC and minimized the initial secondary market appreciation. Furthermore, we confirmed the final bids from eight different bidders which we aggressively marketed in the weeks prior.
A.C. Advisory, Inc. Project Staff: Adela Cepeda, Kelly Hutchinson, and Robert Rodriguez

Chicago Transit Authority: Completed in 2003, A.C. Advisory was part of the financial advisory team that guided the Chicago Transit Authority's first federal-backed financing of over $200 million. This was one of the first transactions of its kind in the USA and the first direct issuance of the CTA ever. The transaction was structured as a 7-year maturity, matching the anticipated federal grants flow. Securitizing the anticipated grants enabled the CTA to bid out the full scope of the renovation of one of its transit lines and obtain current pricing on the total project. In the past, the project would have been priced and completed in sections dependent on receipt of grant funds. Securitization permitted more cost- and time-effective capital project management. As advisor to the CTA we evaluated other 5307 financings, which are federal grants through the Federal Transit Administration ("FTA"). As part of our work with the CTA, we have had extensive conversations with the federal government on various project financing opportunities that might be cost effective, such as the Transportation Infrastructure Finance and Innovation Act ("TIFIA") program. This accomplishment was followed up in 2004 with the CTA's $250 million financing from federal grant receipts of 5307 formula funds. We analyzed potential swap overlay structures and timing concerns.

Again in 2006, the Firm assisted the CTA with the third issuance of 5307 formula funds in the amount of $275 million. Originally planned as $175 million, A.C. Advisory advised the CTA to increase its structure to $275 million in order to capitalize on its multi-year plan and strong financial position, while rates were unusually low and before additional legislative uncertainties could cloud the CTA's ratings prospects. In addition, after a thorough evaluation of the senior manager's proposal to extend the final maturity, we canvassed the rating agencies and insurers to ensure their positive appraisal of the new structure. We extended the final maturity to maximize the benefits of the flat yield curve and significantly reduce the CTA's annual debt service. The Firm also added particular value by working in concert with the financing team to making sure the deal was aggressively priced. The transaction was extremely well received.

In 2008, we advised CTA on another $250 million Capital Grant Receipts Revenue Bonds, Federal Transit Administration Section 5307 and 5309 Formula Funds, Series 2008 A and Series 2008. This transaction represented the first 5309 financing for the CTA. In addition, the Firm has advised the CTA on ratings agency strategies and presented various swap ideas. We have prepared structuring analysis, provided advice regarding cost of issuance, participated in document review sessions, bid credit enhancements, and prepared a post-pricing transaction review including complete compensation analysis, investor demographics, historical issuance comparison, and underwriter performance analysis.

In 2009, the Firm advised the CTA on a $567.13 million basis swap which was associated with its $2 billion taxable pension financing sold in the summer of 2008. The Firm was instrumental in developing the transaction structure, negotiating terms with three separate counterparties, and leading the execution of the transaction. After the execution of the financing, A.C. Advisory took on the responsibility of providing weekly mark-to-market statements to the CTA, which provided a basis for determining an unwind strategy. A.C. Advisory ultimately negotiated the unwind of two of the transactions totaling $396mm in notional at terms that were more favorable than the respective counterparty's initial offers.

Most recently, in October 2011, A.C. Advisory assisted the Chicago Transit Authority as it sold $476.9mm and $57.58mm in Sales Tax Receipts Revenue bonds and Capital Grant receipts, respectively. A.C. Advisory was intimately involved with developing the bond structure, preparing a comprehensive ratings presentation and leading the rating agency efforts. In particular, the firm worked with the financing team to work within the CTA's legal and financial constraints, while producing a structure with the lowest cost of funds. Our client-focused commitment enabled us to quickly grasp the CTA's objectives and manage the structuring process such that our recommended plan of finance offered an efficient and flexible solution to the CTA's needs. Ms. Cepeda was called upon to explain the structure to the Chicago Transit Authority Board and respond to questions during the approval process.

The Sales Tax bonds featured serials maturing 2021-2031 and two term bonds maturing in 2036 and 2040. The serials, averaging $18.3mm in size, priced above MMD at spreads ranging from 125-127bps. The two term bonds were set to yield 4.87% and 4.91% respectively, both pricing 112bps over MMD. The CTA also sold $56.53mm worth of Capital Grant Receipts Revenue refunding bonds. The serials, which averaged $8.1mm, priced at spreads of 162-156 above MMD.

The $57.58mm taxable GARVEE series secured favorable interest from investors, obtaining approximately 2x subscription from over 10 investors despite concern over the status of the transportation funding. Along with the GARVEEs, the CTA also simultaneously sold $476.91mm of sales tax revenue bonds. In a market environment where retail investors have shown little interest in municipal bonds, the CTA Sales Tax series received approximately $229.12mm of professional retail orders. *Project Team Members: Adela Cepeda, Kelly Hutchinson, Alberto Castellon*
Client Contact: Karen Walker, Chief Financial Officer / PH: 312-681-3400 ext 13400 / Fax: 312-681-3405

Illinois State Toll Highway Authority (IL Tollway): As Financial Advisor to the $500 million 2009 Series A transaction, A.C. Advisory assisted the IL Tollway in the introduction of the first taxable BABs issuance with a maturity over $100 million to include a 10-year par call. Initially, the transaction was structured as $100 million of tax exempt bonds maturing in 2024 and $400 million of taxable Build America Bonds maturing in 2034. However, given the strong investor interest in the Build America Bonds, the IL Tollway was able to convert its shorter bonds to taxable Build America Bonds, while preserving its 10-year call option. A.C. Advisory, advocated throughout the transaction to tighten spreads to achieve the lowest TIC, minimize the initial secondary market appreciation, maintain call flexibility, and reduce takedowns. Given the strength of investor interest, the IL Tollway was ultimately able to tighten its spread to treasuries, while maintaining a strong and diverse investor base. The levels achieved on the BABs represented the lowest initial pricing spreads at that time for a large scale non triple-A issuer.

Credit Enhancement Advisory: The Illinois State Toll Highway Authority engaged the Firm to determine the appropriate cost triggers for refunding/restructuring the Authority's $1.302bb synthetic variable rate portfolio, including swap termination. Our professionals analyzed the Authority's debt and derivative portfolio, refunding triggers, and thoroughly reviewed the Authority's debt portfolio and legal constraints, and conducted bank market and municipal securities law research. We presented the Authority's Board with a 40-page report and a high-level presentation summarizing our analysis.

Client Contact: William O'Connell, Capital Budget Specialist/ PH: 630-241-6800 x 4472.

A.C. Advisory, Inc. Project Staff: Adela Cepeda, Kelly Hutchinson

A.C. Advisory, Inc. has provided FA services to the Chicago Airport System since 1996. **In 2001, the Firm was co-financial advisor on the issuance of five series of bonds by O'Hare International Airport raising a total of $700 million.** The bonds were financed by passenger facility charges, which were increased to $4.50 from $3.00, the highest in the nation. Certain series involved refunding of existing bonds while others involved specific projects that required FAA approval. Certain bond series were subject to the alternative minimum tax. **This bond issue was the largest PFC backed airport financing in history.** Our role was primarily to assist the issuer with pricing. Also, over the summer of 2003, we were the sole financial advisor on another O'Hare transaction totaling $986,310,000. One of our major duties was to bid out and negotiate the bond insurance in a time where airport insurance was very expensive and many insurers were at their maximum capacity insuring O'Hare bonds. We researched and created a comparison report of all airport insured bonds within the past year. Presented this to the client, and used it as a point of reference as we received insurance bids. Once bids were in, we analyzed what the cost of insurance would be to the City, taking into account the trading differential of one of the insurance bidders. The ultimate result was the entire issue could have been insured (a small portion went uninsured at the request of an investor), we applied the best combination of three insurers and also negotiated a very attractive rate for the airport. **In 2004, the Firm was financial advisor for Chicago Midway Airport's General Obligation Second Lien New Money and Refunding Bonds.** It entailed extensive negotiations with the airlines and the rating agencies at the same time of ATA's restructuring. In addition, we analyzed the relative value of BMA versus a Libor swap and competitively bid out the BMA structure chosen. **In April 14, 2010, A.C. Advisory assisted the City of Chicago on the sale of $1.2 billion bonds for O'Hare.** The financing was unusually complex in that it involved the simultaneous marketing of 10 series of bonds inclusive of traditional tax-exempt and taxable bonds, Build America Bonds (BABs), non-AMT and AMT bonds for two different credits: General Aviation Revenue Bonds (GARBs) and Passenger Facility Charges bonds (PFCs). As the sole financial advisor, A.C. Advisory was actively involved with managing stakeholder relations. The Firm developed professional materials to translate O'Hare's complex financing plans into straightforward, simplified descriptions in order to help win national airlines approval to move forward with the deal. A.C. Advisory also prepared a comprehensive, customized rating agency presentations and helped advise on retail and institutional investor marketing strategies.

Credit Enhancement Advisory: In July 2011, A.C. Advisory was able to secure $2.2bb of credit provider bids for the City of Chicago's $642mm G.O. and O'Hare International Airport credits. To ensure the City secured the most favorable facilities, we suggested soliciting credit for the full portfolio, including the Water, Wastewater, and Sales Tax credits. To that end, we helped to develop the City's Request For Expressions of Interest (RFEI), wrote an advertisement per the client's request announcing the solicitation, worked with the City to prepare a detailed credit presentation to the universe of bidders, corresponded with the credit providers as necessary, reviewed the bids' fees and terms, summarized the bids, dialogued with short-term desks to evaluate trading value of various banks and provided input on short term product strategies materials and discussions. We also produced a memo providing recommendations for bid selections for each credit. The memo outlined the City's current portfolio, set forth a framework for comparing the cost of each bid (comparing the historical Libor/SIFMA and swap rates in conjunction with the trading spread for each provider), outlined key market information about each bidder, provided a pro-forma look at the City's VRDB portfolio given the bid recommendations, and provided a strategy for executing the recommendations.

Project Staff: Adela Cepeda, Kelly Hutchinson, and Alberto Castellón
Client Contact:

- Lois Scott, Chief Financial Officer / PH: 312-498-0714/ Fax: 312-744-4877
- Jeremy Fine, Deputy Comptroller / Tel: 312-744-7106
- Nuria Fernandez, Former Commissioner / Tel: 312-873-9741 / 312-613-5527

NJ Transportation Trust Fund Authority

New Jersey Transportation Trust Fund Authority (NJ TTFA): A.C. Advisory has served as an advisor to the State of New Jersey (the "State") since 2007 and has helped raise over $1.5 billion to support the NJ TTFA's borrowing program. In this capacity, A.C. Advisory reduced the State's costs by negotiating lower takedowns, tighter spreads to Treasury and MMD as well as enhancing the need for capital within NJ TTFA's debt service constraints.

To maximize investor demand during difficult market conditions in November 2008, A.C. Advisory worked with the State of New Jersey to launch a retail marketing campaign and a State investor relations website. Serving as financial advisor to the State on our first issuance, a financing comprised of $1.123 billion in Transportation System Bonds, it was the largest fixed rate issuance and the only one to place Capital Appreciation Bonds since the Sept. 2008 bankruptcy of Lehman Brothers. As a result of our work, approximately $175 million of retail orders were generated and strong institutional demand enabled the size of the deal to be increased from the original $750 million par to $1.123 billion. The State and the NJ TTFA continue to use the retail and web-based marketing strategies we helped develop for all of its issuances.

Following up on the success of the 2008 financing, the Firm advised the State of New Jersey on its inaugural Build America Bond transaction as part of the $414 million 2009 Series A financing. A.C. Advisory led negotiations with the underwriter to lock-in an underwriter's takedown of 1/2 point on a net designated basis (as compared to the 7/8 paid on earlier transactions including the New Jersey Turnpike).
Client Contact: Jim Petrino, Director of Finance, 609-633-6447
A.C. Advisory, Inc. Project Staff: Adela Cepeda, Robert Rodriguez, Alberto Castellón

State of Connecticut: As advisor to the State of Connecticut ("CT") since 2002, A.C. Advisory has provided a variety of comprehensive services on over $5.2 billion of financings. The Firm has assisted CT STO (Special Tax Obligation) with new money and refunding analyses, drafting investor and ratings agency presentations, pricing negotiations, variable rate portfolio management, solicitation of credit support and post-deal analysis.

Throughout 2009 and 2010, the Firm advised CT on its inaugural sale of BABs and tax-exempt new money and refunding deals. Prior to those financings, the Firm guided the State through the financial crisis, working with CT to sell $100mm of refunding bonds to retail on the eve of the Lehman collapse in September 2008. In 2003, the Firm advised on $421.98mm Refunding Bonds and interest rate swap which received the first corporate ratings for a muni swap, an idea advanced by Ms. Cepeda.

In October 2010, we assisted the State with its largest STO bond sale ever of $737.675mm (A1/AA/AA-). The deal consisted of: $200mm tax-exempt and $400mm taxable BABs new money series and a $138mm tax-exempt refunding. The transaction was placed successfully despite a challenging market with a supply calendar at an 18-month peak of $13.8bb, volatile interest rates, and limited secondary market liquidity. At our advice, the State sold its 2023 maturity as a serial instead of term bond, saving nearly $2mm in debt service costs or $1.5mm in PV debt service costs.

Most recently, in December 2011, our Firm advised the State on $455mm Special Tax Obligation Bonds, comprised of $221mm new-money and a $234mm refunding series. We worked with the State in optimizing the refunding candidates to minimize the level of negative arbitrage in the refunding. Additionally, we reviewed the State's General Obligation and University of Connecticut designation policies to recommend appropriate policies for the State on its STO financing. We also provided the State with pricing advisory prior to and during the pricing negotiations to ensure it sold its bonds at the lowest cost possible.

Credit Enhancement Advisory: In March 2011, A.C. Advisory assisted in privately placing $153mm General Airport Refunding Bonds with two large North American banks on behalf of Bradley International Airport. A.C. Advisory navigated several challenges including: education on a credit that had not entered the market in 10 years, an S&P downgrade of the airport, and the governor's introduction of legislation to create an independent airport authority. We drafted Bradley's Request for Proposals for Credit Facilities and Direct Purchases, analyzing over $500mm worth of financing proposals. We carefully modeled pricing for the various credit facilities and direct placements, taking into account the LIBOR swap receipts and dialoguing effectively with the client to ensure they were well-informed. In this assignment, A.C. Advisory also played a pivotal role in negotiating favorable business terms for Bradley Airport in each respective credit agreement while deftly maneuvering a credit ratings downgrade of the Airport and the newsbreak of the potential creation of a new airport authority.

Peter McAlpine, Debt Management Specialist, Tel: 860-702-3257, Email: peter.mcalpine@ct.gov

List of Transportation Deals

REGIONAL TRANSPORTATION AUTHORITY

- $175,100,000 REGIONAL TRANSPORTATION AUTHORITY General Obligation Bonds, Series 2010A, B(BABs)

Total Financings **$175,100,000**

ILLINOIS STATE TOLL HIGHWAY AUTHORITY

- $500,000,000 ILLINOIS STATE TOLL HIGHWAY AUTHORITY Toll Highway Senior Priority Revenue Bonds, 2009 Series A (BABs)

Total Financings **$500,000,000**

CHICAGO TRANSIT AUTHORITY

- $533,430,000 CHICAGO TRANSIT AUTHORITY Capital Grant Receipts Revenue Refunding Bonds (5307 Grant) Series 2011
- $250,000,000 CHICAGO TRANSIT AUTHORITY Capital Grant Receipts Revenue Bonds, Federal Transit Administration Section 5307 and 5309 Formula Funds, Series 2008 A and Series 2008
- $275,000,000 CHICAGO TRANSIT AUTHORITY Capital Grant Receipts Revenue Bonds, Federal Transit Administration Section 5307 Formula Funds, Series 2006 A
- $250,000,000 CHICAGO TRANSIT AUTHORITY Capital Grant Receipts Revenue Bonds, Federal Transit Administration Section 5307 Formula Funds, Series 2004 A & B
- $207,200,000 CHICAGO TRANSIT AUTHORITY Capital Grant Receipts Revenue Bonds, Douglas Branch Project, Series 2003 A & B

Total Financings **$1,515,630,000**

CITY OF CHICAGO AIRPORT SYSTEM

- $936,775,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT General Airport Third Lien Revenue Bonds, Series 2010A, B, C, F
- $103,210,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT General Airport Third Lien Revenue Refunding Bonds, Series 2010D, E
- $137,665,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT Passenger Facility Charge Revenue Bonds, Series 2010A, B, C (Taxable), D
- $152,150,000 CHICAGO-MIDWAY INTERNATIONAL AIRPORT General Obligation Second Lien Revenue Bonds Auction Rate Securities, 2004 Series C&D
- $77,565,000 CHICAGO-MIDWAY INTERNATIONAL AIRPORT General Obligation Second Lien Revenue Refunding Bonds, 2004 Series A&B
- $986,310,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT General Airport Third Lien Revenue Bonds, Series 2003A-1, A-2, B-1, B-2, C-1, C-2
- $700,000,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT Second Lien Passenger Facility Charge Revenues, Series 2001
- $409,850,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT International Terminal Special Revenue Refunding Bonds, Series 1999
- $216,075,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT General Obligation Second Lien Revenue Bonds, 1996 Series A and Taxable Series B

Total Financings **$3,719,600,000**

STATE OF CONNECTICUT

- $455,075,000 STATE OF CONNECTICUT Special Tax Obligation Bonds, Transportation Infrastructure Purposes, Series 2011A, B
- $152,380,000 STATE OF CONNECTICUT Special Tax Obligation General Airport Revenue Refunding Bonds, Variable Rate Demand Bonds, Series 2011
- $737,675,000 STATE OF CONNECTICUT Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes, 2010 A, B(Taxable), C

- $549,775,000 STATE OF CONNECTICUT Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes, 2009 Series A, B (Taxable), C
- $415,035,000 STATE OF CONNECTICUT Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes, 2009 Series 1
- $300,000,000 STATE OF CONNECTICUT Special Tax Obligation Bonds Transportation Infrastructure Purposes, 2008 Series A
- $99,040,000 STATE OF CONNECTICUT Second Lien Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes, 2008 Series 1
- $250,000,000 STATE OF CONNECTICUT New Money Bonds Transportation Infrastructure Purposes, 2007 Series A
- $250,000,000 STATE OF CONNECTICUT New Money Bonds Transportation Infrastructure Purposes, 2005 Series A
- $89,725,000 STATE OF CONNECTICUT Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes, 2004 Series B
- $200,000,000 STATE OF CONNECTICUT Special Tax Obligation Bonds Transportation Infrastructure Purposes, 2004 Series A
- $200,000,000 STATE OF CONNECTICUT Special Tax Obligation Bonds Transportation Infrastructure Purposes, 2003 Series B
- $338,610,000 STATE OF CONNECTICUT Special Tax Obligation Refunding Bonds, 2003 Series A
- $421,980,000 STATE OF CONNECTICUT Special Tax Obligation Refunding Bonds, Transportation Infrastructure Purposes (Variable Rate Demand), 2003 Series 1 and 2
- $215,000,000 STATE OF CONNECTICUT Special Tax Obligation Bonds, Transportation Infrastructure Purposes, 2002 Series B

Total Financings **$4,674,295,000**

STATE OF NEW JERSEY

- $416,230,924 NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY Transportation System Bonds, Series 2009A (CABs), B(Taxable)
- $1,122,744,638.45 NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY Transportation System Bonds, 2008 Series A

Total Financings **$1,538,975,562.55**

Total Transportation Financing $12,123,600,563.55

Additionally, the Firm has significant experience evaluating revenue opportunities. One of the Company's specialties is structuring creative and innovative financings that maximize proceeds and debt capacity for our clients. Since 1996, A.C. Advisory, Inc. has been engaged by the Chicago Board of Education as financial advisor to develop a financing strategy for a capital improvement program that now approaches $6 billion. CPS has undertaken the most ambitious capital investment program of any school system in the nation. To date, CPS has been upgraded 16 times to its current ratings of A1, AA- and A+, by Moody's, S&P and Fitch. The Firm has assisted the Chicago Board of Education from the earliest stages, initially working to identify revenue sources that would securitize financings. The Board's ratings were barely investment grade. After extensive consultation with various bond counsels we worked to develop a "double-barreled" bond backed by a sales tax collected by the state of Illinois and apportioned to every taxing authority during the year. Revenues from this tax allowed for $1 billion to be raised by the Chicago Board of Education over the next 18 months. In addition, we worked with the City of Chicago and the Public Building Commission to document an intergovernmental agreement (IGA) that allowed for the expansion of an expiring bond levy. This levy extension backed the issuance of $1 billion in additional bonds for the Board of Education. We worked on the financing strategy as well as the legislative strategy for this IGA financing. The ambitious capital program, which has had a transforming effect throughout Chicago's neighborhoods, increasing real estate values and attracting suburbanites back to the city, has therefore been financed without tax increases. We also helped Cook County structure and sell its first Sales Tax backed bonds.

Other non transportation clients:

A.C. Advisory has been engaged to be the financial advisor on a series of transactions on a deal by-deal basis since 1996 on over $89 billion worth of issues. We have advised the County on ratings strategies, various new money and refunding structures, variable rate financings, taxable financings, evaluated alternate methods of raising capital, reviewed the qualifications of managers, and presented various swap ideas. Over the years, we have also discussed topics ranging from property assessments, levy procedures, tax collections to governance structures. We have worked extensively with Cook County on a variety of bond transactions:

- 14 Refunding Bond Series
- 3 Variable-Rate, General Obligation Bond Series
- 2 Industrial Development Revenue Bond Series
- 27 General Obligation Series
- Inaugural Build America Bond Issuance
- Inaugural RZEDB Issue
- Inaugural Sales Tax Issuance

On Tuesday, August 7, 2012, A.C. Advisory assisted Cook County, Illinois with its inaugural $90mm Sales Tax Revenue backed financing. A.C. Advisory played an instrumental role in the structuring process: providing comparative issuer analyses as well as a thorough analysis of rating agency parameters and concerns to determine the optimal bond security provisions, and recommending bond structures that maximized investor interest. Furthermore, the Firm spearheaded the rating solicitation process, working with County officials, the senior manager, and the legal team to develop a strong rating agency presentation that aided the County in securing a 'AAA'-rating from Standard and Poor's. Among factors S&P considered, the County's Sales Tax Revenue bonds feature coverage of 47x debt service and strong non-impairment provisions. At pricing, the County drew significant investor interest- both from retail and institutional investors, which speaks to the investor appetite for AAA rated securities.
Advisory Team: Adela Cepeda, Stella Gittens, Kelly Hutchinson, Alberto Castellón

Client Contact:
Tariq Malhance, Chief Financial Officer
Tel : 312-603-5287 / tariq.malhance@cookcountyil.gov
Ivan Samstein, Deputy Chief Financial Officer
Tel: 312-603-6669 / ivan.samstein@cookcountyil.gov

State of Illinois: A.C. Advisory assisted the State of Illinois ("the State") with its $1bb General Obligation Series 2010-1 inaugural Build America Bond ("BAB") issuance on January 28, 2010. The $1bb transaction was the first phase of the Illinois Jobs Now! Program, which funded projects estimated to create 14,000 new jobs throughout Illinois. With A.C. Advisory's assistance in advocating for tighter spreads, the State achieved a borrowing cost of 3.99% or an all-in TIC of 4.05%. By issuing BABs instead of traditional tax-exempt bonds, the State achieved approximately $90mm of present value interest cost savings or 64bps in all-in TIC. With A.C. Advisory's

guidance, the State minimized the cost of the steepening yield curve by extending serial bonds from 5 to 12 years, saving 3 - 6bps over the alternative serial and term bond structures initially proposed by underwriters. This translates into $3-6mm of savings.
Most recently, in May of 2012 A.C. Advisory assisted the State of Illinois with the sale of $375,000,000 Build Illinois Bonds (Sales Tax Revenue Bonds), Taxable Series of May 2012.

Client Contact: John Sinsheimer, Capital Markets Director
Tel: 312-814-0023 / john.sinsheimer@illinois.gov

As financial advisor to **New York City on its General Obligation and Transitional Finance Authority (TFA)** bonding programs since 2010, A.C. Advisory has helped the City sell over $8bb worth of TFA Personal Income Tax Bonds. The TFA utilizes revenues based on Sales and Personal Income Tax revenues. During this period, we have worked closely with the City to undertake several key initiatives and programs, including the management of the 2008/2009 financial crisis in both the long- and short-term/bank markets, development of an index-floater direct purchase program, marketing the credit to retail and institutional investors, and the sale of Qualified School Construction Bonds.

On October 12th, 2011, A.C. Advisory assisted New York City with the sale of $758.1mm of fixed rate tax-exempt Transitional Finance Authority Bonds. In the two weeks prior to the sale, several sales were downsized and/or sold at significant concessions relative to initial pricing levels, reflecting the volatility in the market and lack of market depth. The TFA was able to generate $172mm in retail orders during its one-day retail order period. Anchor orders from investors totaling $200mm each were generated by two bond funds/money managers reflecting the high-quality nature of the order book. The subscription level enabled the TFA to lower yields upon repricing by 2-5 basis points in certain key maturities.

Since 2004, A.C. Advisory has served as financial advisor on all of New York City's General Obligation and TFA new money and refunding financings amounting to over $54 billion across a broad range of products. Throughout our engagement, we educated City Debt Management officials on new debt options established under ARRA (BABs and QSCBs). Furthermore, we recommended the use of competitive sales to reset the spread for the TFA credit while selling bonds to the New York State Lottery. We have also strategized with the City to leverage retail demand, improving spread and distribution. As NYC frequently enters the capital markets, our engagement with the City allows us to stay abreast of evolving market conditions and novel financing structures.

During the week of May 21, 2012 New York City sold $949,685,000 of General Obligation Bonds. The transaction was comprised of $55,825,000 of Fiscal 2012 Series H (Tax- Exempt Fixed Rate Bonds) and $893,860,000 of Fiscal 2012 Series I (Tax-Exempt Fixed Rate Bonds). Market conditions during the week prior to the bond sale were mixed with concerns over Greece due to the Fitch downgrade and warning of additional Eurozone downgrades, and dealers were preparing for a week of tax-exempt issuance that was expected to be $9 billion versus a 2012 average of $6 billion. AAA MMD fluctuated slightly, increasing in yield in the 5-10 year range by 2-6 basis points and by 2-4 basis points in years 11-30.

The City began its retail order period on Monday, May 21 with yields on the transaction ranging from 0.54% in 2014 to 2.23% in 2022 and 3.20% in 2032. With low absolute rates and a very aggressive spread to MMD Day 1 of retail resulted in $60.82 million retail orders with order flow in virtually all maturities that were offered. The market closed on Monday with investors sitting idle for another session in light of the $9 billion tax-exempt primary calendar and choppy treasury market. The current AAA MMD curve was left unchanged. This was the challenging environment that as financial advisor A.C. Advisory had to make astute decisions.

The first difficult decision without hindsight was whether to accelerate the financing without the City's typical two day retail order period as the retail participation was very sparce and the next day several large transactions were being priced. After deliberations, and feedback from other market makers, on Tuesday May 22 the City decided to stay on course with the second day of retail in order to generate additional demand. The second day of retail resulted in $159.84 million of retail orders, with oversubscriptions in a handful of shorter maturities, despite a considerable sell-off in the Treasury market and a general tone of uncertainty throughout the day in all major markets. On Wednesday May 23, 2012, in response to significant institutional investor feedback in advance of the pricing, the City opened the institutional order period with spreads adjusted to reflect oversold maturities and those which had not yet attracted interest. In this more settled market, institutional spreads were held constant in the front and back end, and widened 4 to 5bps from 2021 to 2025, still very aggressive compared to spreads at which comparably rated transactions had cleared the market the day before in those challenging maturities.

After a two hour order period, where all maturities except those from 2021 to 2025 cleared, and many of the earlier and later maturities were now oversubscribed, ranging from 1.15x-4.20x on the short end and 2.20x-7.10x on the long end, A.C. Advisory went through the order book and provided guidance to the City to tighten spreads in the areas of oversubscription, and widen a further five basis points in the 2021 to 2025 area, as well as to upsize the transaction reflecting demand from the original $800,000,000 offered to the final amount of $949,685,000. Once orders adjusted to the new spreads and amortizations, the final transaction was just slightly more than 1x subscribed.

On March 20, 2012, A.C. Advisory assisted New York City with the competitive sale of **$100mm taxable and $370mm fixed rate, tax-exempt General Obligation Bonds**, followed by the pricing of $760mm variable-rate bonds. A.C. Advisory provided the City with a thorough review of current market movements, historical City pricing, upcoming transaction calendar, and comparable spread analysis in anticipation of the competitive sales. In addition, we provided the City with a post-bid analysis, reviewing the City's competitive pricing in light of its most recent negotiated taxable and tax-exempt financings- the 2012EF, 2012D, and 2012ABC financings.

A.C. Advisory seamlessly managed the competitive bidding process: coordinating the entire electronic bidding platform on Parity for both series, posting the deal information on major market channels, notifying major underwriters of the transaction, collecting statements of financial responsibility, verifying all bids, and working with the winning bidders to coordinate closing. We developed the Notice of Sale parameters and amortization by conducting sensitivity tests of various coupons and yields as the cashflows resulting from the winning bidders' structure had to comply with LFL. Since we created our bid amortization under varying market coupon and yield conditions, our quantitative team was able to further optimize the tax-exempt amortization after verifying the taxable and tax-exempt winning bids.

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