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# **Bond Financing Team**

**February 15, 2012**

**Finance, Administration Operations Committee**

# Bond Financing Team

## ■ Financial Advisor(s):

- Advise with structuring plan of finance
- Assist with credit presentation materials
- Assure fair value at pricing

## ■ Underwriter(s)

- Leads bond marketing process to investors
- Coordinates sale orders from syndicate of co-managers
- Provides secondary market support

## ■ Remarketing Agents (Variable rate)

- Sets interest rates for variable rate bonds
- Remarkets bonds tendered by investors

## ■ Bond Counsel

- Interprets laws and assists in the legal structuring of bond issue
- Drafts bond documents and Board resolutions
- Opines that bonds are legally issued

## ■ Liquidity Banks (Variable rate)

- Obligated to purchase bonds when remarketing agents fail to locate new investors for tendered bonds (a “failed remarketing”)
- Letter of Credit - pays principal and interest and Tollway reimburses
- Standby Letter - only purchases bonds upon a failed remarketing

## ■ Bond Insurer (Optional)

- Guarantees debt service when due

## ■ Trustee

- Receives proceeds of bond issue
- Invests and disburses funds as set forth in bond documents
- Monitors continuing disclosure and administers repayment of debt



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# Financial Advisors

- **RFP issuance expected in early March**
- **To establish pool of Financial Advisors**
  - General advisors
  - Transactional advisors
- **Initial term of three years, with renewal options up to two years**
- **Finance to work with Diversity Department to determine appropriate diversity goal**

# Underwriters

## ■ RFP issuance expected in early March

- On or near same date as issuance of Financial Advisor RFP
- Tollway not allowed to qualify, for any period of time, the same firm to serve both roles
- A firm changing from one role to other results in one-year period of ineligibility to receive assignments

## ■ To establish two pools

- Senior Managing Underwriter Pool
  - Eligible to serve as Senior Managing Underwriter, Co-Senior Managing Underwriter and Remarketing Agent
- Co-Managing Underwriter Pool
  - Eligible to serve as Co-Managing Underwriter only

## ■ Initial term of three years, with renewal options up to two years

## ■ Finance to work with Diversity Department to determine appropriate diversity goal

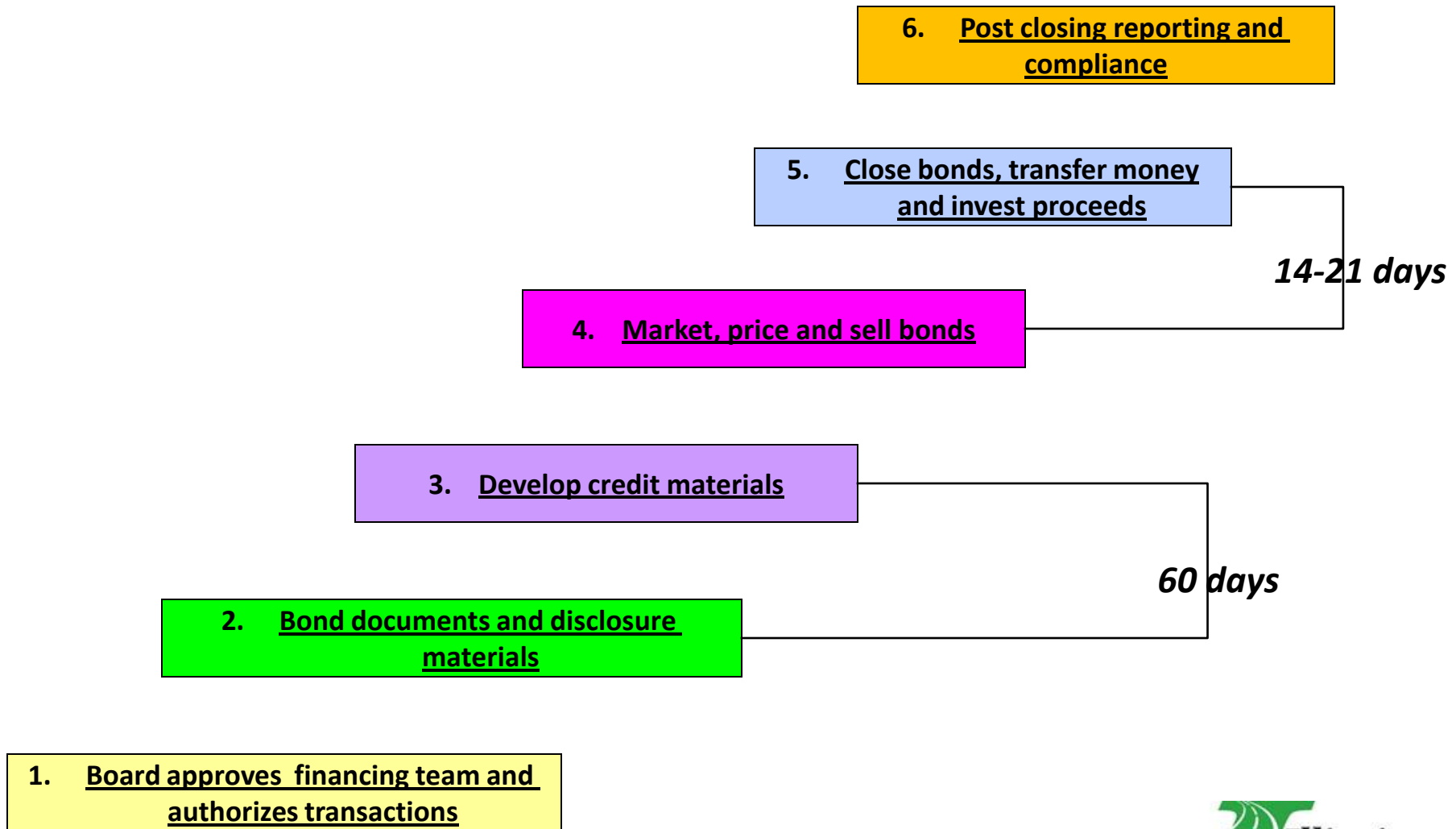


# Legal Services Related to Bonds/Capital Program

- Bond-related legal services
  - Bond Counsel
  - Issuer's Counsel
    - Also known as Disclosure Counsel
    - This role may be filled by Bond Counsel
  - Underwriter's Counsel
    - Tollway may recommend firms for Underwriter's Counsel (to be determined)
- Attorney General appoints as Special Assistant Attorney General



# Time Schedule (90 days or less)





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**THANK YOU**