

REQUEST FOR PROPOSAL – BOND UNDERWRITING SERVICES

The Cuyahoga County Land Reutilization Corporation (the “CCLRC”) pursuant to a resolution of the Board of Directors (the “Board”) is soliciting proposals from qualified firms for underwriting services in connection with the CCLRC's proposed issuance of several series of revenue bonds (the “Bonds” or the “Series 2009 Bonds”). It is currently anticipated that these Bonds will be sold in October 2009, in an aggregate principal amount of approximately \$50 million.

The Board will review the qualifications of proposing firms and select service providers from the qualified respondents to this RFP, to serve in one or more capacities selected on an issue-by-issue basis:

1. As senior managing underwriter for the issuance of one or more series of Bonds; or
2. As one of a group of co-senior and co-managing underwriters for the issuance of one or more series of Bonds.

The Board retains the right to select underwriters for each issue based on the experience and expertise of the service providers and the type of bond and financing structure under consideration.

This RFP is not an offer to contract but seeks the submissions of proposals from qualified, professional vendors that may form the basis for negotiation of a contract or agreement.

The Board reserves the right to reject any or all proposals and/or to solicit additional proposals if that is determined to be fiscally advantageous to the CCLRC or otherwise in its best interest.

Description of the CCLRC

The Cuyahoga County Land Reutilization Corporation is an Ohio nonprofit corporation created for the purposes of promoting development and managing and facilitating the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, or other real property. The CCLRC is organized pursuant to Ohio Revised Code (ORC) Chapter 1724 and Chapter 1702, to the extent that Chapter is not inconsistent with Chapter 1724. The legislation authorizing the creation of county land reutilization corporations was passed by the State Legislature in late 2008 (Sub. S.B. 353) and signed into law by Governor Ted Strickland in January 2009 (effective April 9, 2009). The CCLRC was incorporated on April 16, 2009. Clarifying amendments to statutory provisions relating to county land reutilization corporations were adopted recently as part of the State of Ohio's biennial budget (S.B. 1).

Pursuant to ORC Chapter 5722 (the “Ohio Land Bank Law”) the CCLRC has been designated as the agent for Cuyahoga County, Ohio (the “County”) for the purpose of exercising the powers of the County under the Ohio Land Bank Law.

Respondents are encouraged to review ORC Chapters 1724, 5722 and 1702 for a fuller description of the organization, operation, powers and sources of funding for county land reutilization corporations.

Description of the Series 2009 Bonds

The plan of finance proposes the issuance of approximately \$50 million in two series of bonds on a parity basis: 1) \$35 million fixed-rate offering comprised of serial and term bonds with a final maturity of 2029; and 2) \$15 million variable-rate offering with a nominal final maturity of 2029. The Series 2009 Bonds will be secured by revenues derived from the capture of penalties on late real estate tax payments and penalties and interest on delinquent real estate tax payments in Cuyahoga County. Based

on historical collections the net revenues available for debt service are projected at a level of approximately \$7 million per year. Subject to the unqualified opinion of bond counsel the fixed-rate portion of the Series 2009 Bonds will be issued on a tax-exempt basis, with the variable-rate component structured as a taxable offering.

The proceeds from the Series 2009 Bonds will be used to fund the following program activities of the CCLRC over the next three year period (preliminary, subject to change):

Demolition: \$20,000,000
Acquisition/Rehabilitation (for-sale properties): \$4,500,000
Acquisition/Rehabilitation (rental properties): \$4,000,000
"Holding" Cost (associated with acquired properties): \$7,500,000
Land Reutilization (vacant lot improvements): \$4,000,000

The balance of the proceeds from the Series 2009 Bonds will be used to fund any necessary debt service reserves, capitalized interest and to pay costs of issuance.

Proposal Submission

RFP responses must be received by the CCLRC, c/o the CCLRC's financial advisor described below, **no later than 5:00 p.m., prevailing local time on Friday, August 14, 2009**. Proposals must be submitted in a sealed envelope or package; faxed or electronically transmitted proposals will not be accepted.

Please submit **an original and four (4) copies of the proposal, plus one complete electronic CD copy**. The original proposal should be bound in a three-ring, loose-leaf binder. Please ensure that the electronic submission contains all attachments, and uses the naming conventions for files submitted as attachments (in Adobe PDF format) described below. Deliver proposals by the specified date and time to:

Paul J. Komlosi
P3 Development Advisors, LLC
8948 Old State Road
Chardon, Ohio 44024

Please use (216) 333-2466 if a telephone is required by the delivery service for physical delivery.

P3 Development Advisors, LLC will be the sole contact regarding this RFP. Any questions or inquiries concerning the RFP will be received in writing until 5:00 p.m., August 7, 2009, and should be emailed to Paul Komlosi at pjkomlosi@mac.com. Questions will be answered in writing and posted on a rolling basis on the CCLRC's webpage at the following URL: <http://www.cuyahogalandbank.org/>. It is the respondent's responsibility to check the webpage for current information regarding this RFP.

Any oral communications shall be considered unofficial and non-binding on the CCLRC.

Scope of Services

The selected underwriter(s) shall work with and at the direction of the CCLRC's financial advisor in the delivery of all services contemplated by this RFP. Services required of the selected senior manager(s) shall include the following:

- Make recommendations on all aspects of the financing including, but not limited to, the timing of the sale of the Series 2009 Bonds, call provisions, marketing, and other structuring aspects.
- Purchase the Series 2009 Bonds upon terms and conditions mutually acceptable to the CCLRC and the underwriter(s) pursuant to the bond purchase agreement.
- Assist in preparations, discussions and meetings with rating agencies, if requested.
- Assist with investor relations, including accessing new buyers and market sectors for the Series 2009 Bonds.
- Participate in the review, editing, negotiation, and as customary, drafting of the preliminary and final Official Statements, the bond purchase agreement, the bond resolution and any other bond documents, as required.
- Provide specific information as may be requested by the CCLRC regarding orders and allotments of Series 2009 Bonds.
- Provide such other services as may be reasonably requested by the CCLRC.

Evaluation Criteria and Selection Process

The criteria considered in the evaluation of each proposal are listed below. The arrangement of the criteria is not meant to imply the order of importance in the selection process. All criteria will be used to select the underwriter(s) most advantageous to the CCLRC.

Responsiveness to this RFP
 Qualifications and Experience
 Cuyahoga County, State of Ohio and National Presence
 Distribution Capability
 Banking and Underwriting Team Assigned to the CCLRC
 Understanding of Credit Issues
 Proposed Underwriting Compensation

Oral interviews with certain respondents may be requested. The CCLRC reserves the right to conduct best and final negotiations concerning all aspects of an engagement with one or more respondents.

The CCLRC is not liable for any cost incurred by respondents in replying to this RFP or in connection with any interview or negotiation relating to this RFP.

Indemnification

The selected firm(s) shall defend, indemnify and hold harmless the CCLRC, its officers, agents and employees from any and all costs of any nature whether for personal injury, property damage or any other liability arising out of or in any way connected with any acts or omissions of the firm or any of its principals, employees or agents under this RFP or under any agreement executed with the CCLRC.

Proposal as Public Information and Property of CCLRC

The information submitted in each proposal may be subject to public disclosure pursuant to State and Federal law. All proposals will become the property of the CCLRC. Proposals submitted will not be returned to respondents unless they are received late.

REQUIRED COMPONENTS OF THE PROPOSAL

Specifically discuss each of the following items. **Failure to comply with the requirements of the**

RFP will result in the response not being evaluated by the CCLRC. Please limit the combined cover letter and the response to a total of twenty-five (25) pages.

Cover Letter

- Clearly state the category of service for which the firm seeks consideration:
 1. To serve as senior managing underwriter for the issuance of one or more series of Bonds; or
 2. To serve as one of a group of co-senior and co-managing underwriters for the issuance of one or more series of Bonds.
- If the respondent intends to subcontract out any part of the work contained in the scope of this RFP, the respondent shall provide a complete description of the services to be subcontracted, an estimate of the overall amount of work to be subcontracted, the rationale behind the need to subcontract, and a comprehensive description of the qualifications and experience of the proposed subcontractor. The CCLRC reserves the right to disapprove any proposed subcontractor and to revoke previous approval of a subcontractor should the need arise.
- Please identify any conflict of interest that may arise from providing services to the CCLRC. The CCLRC reserves the right to: 1) disqualify any firm or reject any proposal at any time solely on the grounds that a real or perceived legal or policy conflict of interest is presented; 2) require the firm to take any action or supply information necessary to remove the conflict; or 3) terminate any contract arising from this RFP if any such relationship would constitute or have potential to create a real or perceived conflict of interest that cannot be resolved to CCLRC's satisfaction.
- Please acknowledge that prior to the closing upon the issuance of the Bonds, the selected underwriter(s) shall be under a continuing obligation to promptly inform the CCLRC of any material change to any of its responses to the questions or issues contemplated by this RFP.

Qualifications and Experience

- Total number and total size of issues underwritten in each year since January 1, 2007, distinguished by firm role (sole, senior or co-managed), type of bond (fixed or variable rate), type of credit (GO, revenue or other) and by method of sale. An itemized schedule of individual transactions is not required, but if submitted, will be included in the 20-page maximum.
- Please list the negotiated revenue bond transactions over \$25 million with a final maturity in excess of five years that you have senior managed since January 1, 2007. Please include the issuer, the principal amount of debt issued, dated date, number of co-senior or co-managers and the priority of orders. In addition, please identify the retail participation vs. institutional participation for these transactions.
- Provide a brief discussion of relevant senior managing underwriter experience of the firm and identify the lead banker(s) who managed those transactions over the last three years. Highlight any transactions senior managed on behalf of first-time issuers.

Capital Strength and Commitment to Public Finance

- Provide the most recent financial information for your firm that shows, at a minimum, (i) total capital, (ii) excess net capital (uncommitted) as of your firm's most current reporting date, and

(iii) 12- and 24-month average of excess net capital (uncommitted). Please do not include access to capital in the form of lines of credit or other borrowing capabilities in describing the financial position of the firm.

- How has the recent market environment impacted your firm's municipal market trading limits and what is the potential impact on the offering of bonds discussed within this RFP?
- Describe your firm's commitment to the municipal finance industry.

Ohio and National Public Finance Presence

- Number of public finance professionals and public finance originating offices in Ohio and nationally
- Local Ohio retail capability including number of registered representatives and offices in Ohio
- National institutional distribution capability and size of municipal bond sales force
- Secondary market trading volume generally and with respect to bonds of the State of Ohio and its political subdivisions

Banking and Underwriting Team Assigned

- Identify the lead banker(s) who will be assigned to this transaction as well as all personnel of the firm who are expected to work on the proposed transaction. Provide relevant experience the individuals have had on similar issues. The CCLRC requires that the firm provide continuing availability of these key individuals if selected. Any changes in the staff assigned to the any issuance must be approved in advance in writing by the CCLRC.

Legal and Compliance

- Detail any criminal investigation, regulatory investigation, indictment, prosecution or other proceeding that has ever been brought against the firm, or any member of the firm's municipal bond or public finance departments within the last ten (10) years.
- Describe any civil litigation pending or concluded within the past three (3) years against the firm or any member of its municipal bond or public finance departments.
- Describe the firm's compliance and process to ensure compliance with MSRB Rule G-37 concerning political contributions and other prohibitions on municipal securities business with regard to the CCLRC.

Ability to Perform

- The CCLRC's program activities are critically dependent on the success of the issuance of the Series 2009 Bonds for this, its initial offering, in virtually any and all markets. The CCLRC appreciates the volatility experienced in the municipal market in the past year as a byproduct of the national economic condition. To the extent the CCLRC is ready to proceed with the issuance of the Series 2009 Bonds, the CCLRC simply cannot accept any inability of the selected underwriter(s) to perform its obligations under a standard bond purchase agreement, notably the ability to purchase all of the Series 2009 Bonds at a market price. That is not to say the CCLRC won't listen to its selected underwriter(s) and financial advisor regarding slight schedule delays that prudently avoid temporary market anomalies; however, when the CCLRC is ready to sell the Series 2009 Bonds, it is imperative that the selected underwriter(s) perform the intended obligations as set forth herein, without delay, excuse or surcharge. Accordingly, please list and explain any situation where the respondent shall have been unable to execute a bond purchase agreement, or deliver in full on its obligations thereunder (including a

modification of contract price or the payment of funds at closing), within the last three (3) years.

Financing Recommendations and Analysis and Credit Rating Analysis

- Please provide a detailed description and supporting documentation for your firm's proposed debt structure that will in your view provide the lowest financing cost for the CCLRC based upon the previously identified legal and revenue structure provided above. Include in your discussion:
 - Key assumptions applied to the analysis
 - Amortization schedules, including the use of capitalized interest and reserves, if applicable; and
 - Challenges that may need to be addressed to implement your proposed debt structure.
- Describe your firm's quantitative and analytical capabilities, particularly as it relates to the financing structure(s) you may recommend.
- Outline your method of internal analysis of the CCLRC's potential credit strength, its likely rating or ability to secure credit enhancement based on the revenue pledges described. What will be your firm's role in the credit process?

Distribution and Pricing Strategy

- Discuss your overall strategy for pricing the Series 2009 Bonds, and include any perceived challenges or opportunities you see for the CCLRC as a first-time debt issuer. Discuss any unique capabilities of your firm or strategies for placing the Series 2009 Bonds.
- Please explain how your firm will access sufficient retail participation so as to ensure the success of the full financing. Identify the any contingent plan to access institutional investors to close out the unsold portion on a retail basis.
- Will your firm underwrite any unsold balances? If so, to what magnitude or would you recommend downsizing the issue?

Project Timeline

- Please provide a timetable listing each task that needs to be accomplished to meet the schedule for the bond issue(s) to be completed by October 29, 2009, assuming an engagement is in place with the underwriter(s) by the end of August.

Proposed Compensation

The CCLRC is requesting two fee quotes assuming your firm serves as senior managing underwriter for Management Fee/Expenses and Takedown/Sales Commission. Please note that the Management Fee/Expenses quote is to be submitted on a "not-to-exceed" basis. Provide the quote on a per \$1,000 bond basis inclusive of management fee with all expense components itemized. Include a listing of not more than three law firms that you would propose to serve as underwriter's counsel (Squire, Sanders & Dempsey LLP will be serving as bond counsel).

Please provide a proposed takedown schedule by maturity based upon your proposed bond structure, including variable rate demand obligations. Actual takedown and designation policies will be negotiated prior to the sale of the Series 2009 Bonds.

Note that all of the proposed fees will establish the maximum fee that can be paid by the CCLRC.