

Railsplitter Tobacco Settlement Authority
Trustee RFP

Selected Questions and Answers

August 24, 2010

1. *We noticed that the Political Contributions form was not included as in past State of Illinois RFPs. Can you please advise where we can obtain this form or how we should proceed in providing the required information related to political contributions?*

A copy of the form appears at the end of this document.

2. *Will there be a special purpose bankruptcy remote vehicle?*

No.

3. *Will this be a general obligation bond of the State of Illinois?*

No. Railsplitter is an agency of the State of Illinois and its debt will be non-recourse to the State.

4. *As the trustee, will there be any servicing or contingent servicing liability?*

Liability will be that normally associated with Trust of this nature.

5. *Will there be any custody responsibilities?*

Yes. Railsplitter anticipates that the Trustee will hold one year of debt service and up to 6 months of interest in custody on behalf of the bondholders.

6. *How many different settlements will be represented by this transaction?*

Tobacco Settlement payments are received in multiple payments on or about April 15. Upon receipt of these funds, the Trustee will pay debt service on the outstanding bonds and remit back to the State all funds in excess of debt service and costs. Interest is to be paid twice a year.

7. *How long is the expected life of the transaction?*

Will not exceed 19 years.

8. *What is the size of the securitization?*

Not less than \$1,400,000,000 but will not exceed \$1,750,000,000.

9. *How frequently will funds be received?*

Please see response #6 above.

10. *What are the responsibilities of the Trustee for the accounting of the funds; i.e., will the authority create the servicing certificate?*

Railsplitter, by this contract, will be outsourcing to the Trustee all functions including accounting of and custody for funds received by Railsplitter on behalf of the bond holders.

11. *What will be the average monthly balance of the trust accounts?*

One year debt service estimated at \$140 million plus 6 months interest estimated at \$40 million.

12. *Are there any general price expectations? Is the authority able to accept fees per series, per outstanding, and extraordinary fees?*

Railsplitter seeks the lowest all in cost for this service.

13. *How frequently will the trustee be making payments?*

See response to #6 above.

14. *I have a question with regard to the OMB Railsplitter RFP, specifically the Section 5 Business and Directory Information Form. Item (o) states that the Vendor must have "a current Public Contract Number or have proof of having submitted a completed application for one prior to the Solicitation opening date." My question is, what is considered the opening date of this solicitation, and more to the point, if my firm was to apply today for a public contract number, would we be disqualified from this RFP for not having done so prior to the opening date?*

GOMB intends to consider those respondents that apply for a public contract number prior to the due date for responses to this RFP, and that submit proof of that completed application along with their timely response.

Political Contributions

Public Act 95-971 addresses political contributions by Vendors, including affiliated persons and entities. Accordingly, this solicitation contains new provisions that implement the Act. These provisions may be applicable to the contract resulting from this solicitation.

By submission of an Offer, you acknowledge and certify that you have read, understand and will comply with Public Act 95-971, including but not limited to, all provisions relating to reporting, soliciting and making contributions to state officeholders, declared candidates for state offices and covered political organizations that promote the candidacy of an officeholder or declared candidate for office. Vendor acknowledges that the State may declare any resultant contract void if this certification is false or if the Act is violated.

In compliance with Public Act 95-971, check the following certification that applies to you:

Vendor is not required to register as a business entity with the State Board of Elections.

or

Vendor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration as required by the Act. **Note: a copy of the certificate of registration must accompany the Offer.**