

CT Studios LLC

Project & Public Infrastructure Financing Presentation

Presented to the South Windsor, CT Town Council

November 8, 2010

Matthew B. Galligan, Town Manager



CT Studios LLC

- Project Description

Phase I

Two (2) Sound Stage Buildings with Office

132,000 SF

Mill Building 90,000 SF

Public Infrastructure

Phase IA

150 Room Hotel

CT Studios LLC

- Project Description Continued
Phase II

Two (2) Sound Stage Buildings

Retail Buildings 35,000 SF

Restaurant 22,000 SF

CT Studios LLC

- Project Time

Development Year Ending	Final Tax Due Date	Sound Stage One & Two	Millwork & Storage	Sound Stage Three & Four	Hotel	Retail	Restaurant
31-Dec-11	1-Feb-13	132,000 SF	90,000 SF				
31-Dec-14	1-Feb-16			132,000 SF			
31-Dec-12	1-Feb-14				150 Rooms		
31-Dec-13	1-Feb-15					35,000 SF	22,000 SF

CT Studios LLC

- Studio Sources and Uses of Funds
Project Investment
Uses

Land Acquisition	\$ 3,146,554
Working Capital	\$ 1,500,000
Construction	\$34,524,309
Total	\$39,170,863

CT Studios LLC

- Studio Sources and Uses of Funds Continued
Project Funding
Sources

Developer Equity	\$ 4,786,095
Bank Loan	\$ 5,000,000
STEAP Grant	\$ 535,000
Sales Tax Rebate	\$ 1,242,875
CT Film Infra. Credit	\$ 8,030,689
TIF Bonds	\$14,626,204
CT Gap Funding (DECD)	\$ 4,950,000
Total	\$39,170,863

CT Studios LLC

- Detailed Studio Budget

Sound Stage Building 1	\$ 8,086,569
Sound Stage Building 2	\$ 8,086,569
Millwork and Storage	<u>\$ 4,380,390</u>
Gross Hard Const.	\$20,553,528
Hard Cost Const. Buyout	<u>\$ (1,438,747)</u>
Net Construction Costs	\$19,114,781
General Insurance	\$ 73,992
Builders Risk Insurance	\$ 41,107
General Conditions	\$ 848,764
CM Fee	\$ 573,443
Developers Fee	\$ 0
Pre-Development Services	\$ 0
Site Preparation	\$ 0
Contingency	\$ 546,018
Land Acquisition	\$ 1,846,554
Working Capital	\$ 1,500,000
Total Project Budget	\$24,544,659

CT Studios LLC

- Detailed Public Infrastructure Budget

Purchase of Easement	\$ 1,300,000	*Note 17.6 Acre. @ \$73,863/acre
Structure Demolition	\$ 35,000	
Clearing & Grubbing	\$ 75,000	
Utilities		
Water Main Distribution	\$ 400,000	
Sanitary Sewer	\$ 130,000	
Fire Loop	\$ 300,111	
Electric Conduits	\$ 135,000	
Site Lighting	\$ 310,000	
Earthwork		
Spine Road	\$ 70,000	
Chapel Access Road	\$ 25,000	

CT Studios LLC

- Detailed Public Infrastructure Budget Continued

Studio Loop	\$	120,000
Main Studio Parking Lot	\$	65,000
Roadways & Parking		
Spine Road	\$	210,000
Chapel Access Road	\$	90,000
Main Studio Parking	\$	195,000
Studio Loop	\$	360,000
Ellington Road Widening	\$	950,000
Curbing, Lighting & Signage	\$	350,000
Storm Water Management		
Storm Water Mitigation	\$	400,000
Storm Water Piping	\$	250,000
Fencing	\$	145,000
Public Parking	\$	1,100,000
Landscaping	\$	200,000

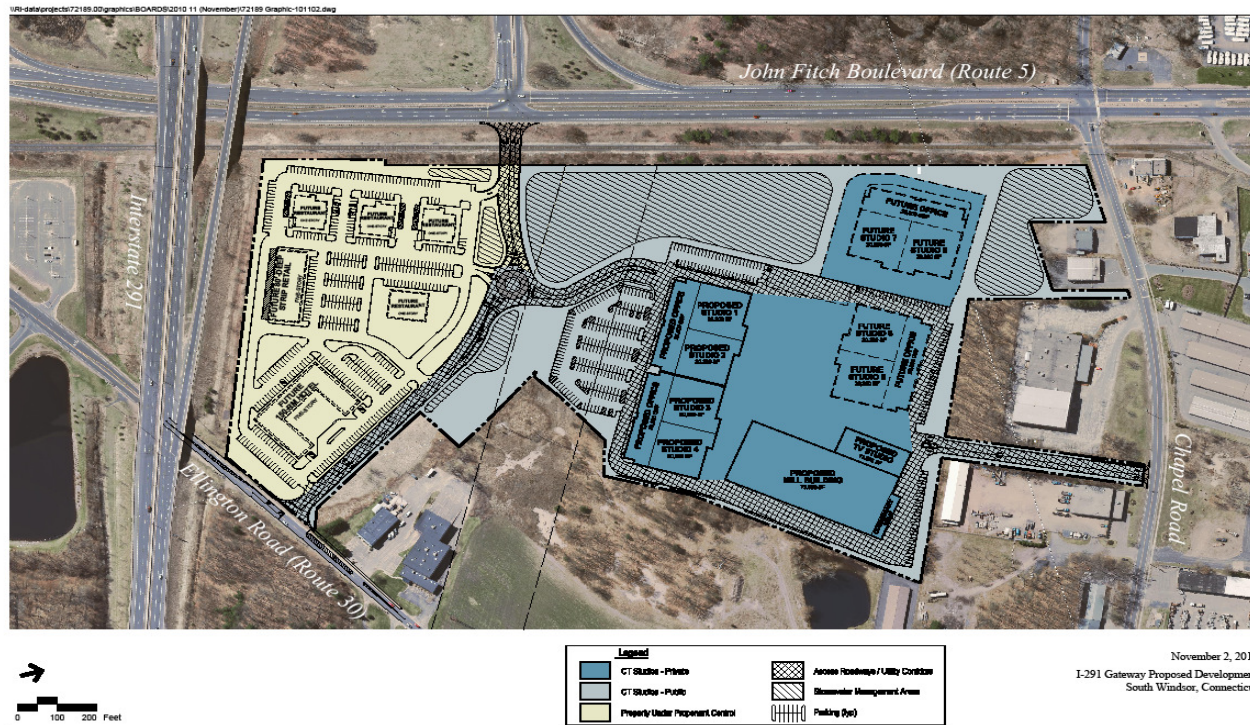
CT Studios LLC

- Detailed Public Infrastructure Budget Continued

Sanitary Sewer Pumping Station	\$ 100,000
Other Site Package Costs	
Guardrails & Bollards	\$ 110,000
As-Built Drawings	\$ 20,000
Pmt. & Performance Bond	\$ 65,000
Total Easement & Const.	\$ 7,510,111
Soft Costs	
Engineering Services	\$ 750,000
Legal, Acct., Environmental Services	\$ 375,506
Construction Management Fee	\$ 310,506
General Conditions	\$ 496,809
Contingency	\$ 621,011
Capitalized Interest	\$ 2,308,919
Debt Service Reserve	\$ 1,459,900
Underwriter's Discount	\$ 292,524
Issuance Costs	\$ 500,000
Rounding	\$ 918
Total Soft Costs	\$ 7,116,093
Total TIF Funded Public Infrastructure Costs	\$14,626,204

CT Studios LLC

- Project Site Map



CT Studios LLC

- Tax Increment Special Obligation Bonds

Chapter 132, Municipal Development Projects,
Sections 8-186 to 8-200b, inclusive of the General
Statutes of Connecticut, Revision 1958

Incremental Real Property Taxes can be used to pay Debt
Service on Tax-Exempt Special Obligation Revenue Bonds
used to fund Qualified Public Improvements

CT Studios LLC

- Bond Requirements

- The Process

- Adoption of the Project Plan (Original Plan adopted March 2003)

- Review and re-approval every ten (10) years

- Plan amendment includes

- Land and building uses

- Financing plan

- Public benefits update

- Planning Commission finding that the Plan is in compliance with Town Plan

- Regional Planning Commission (CRCOG) finding that Plan is in compliance with Capital Region Plan

CT Studios LLC

- Bond Requirements Continued
 - Adoption by the Development Agency
 - Post Project Plan on Internet website
 - Hold Public Hearing on the Plan
 - Town Council Approval
 - Adopt Bond Resolution
 - Notice of Public Hearing (at least five (5) days notice)
 - Public Hearing and adoption of Bond Resolution
 - Current law does not allow PILOTS to extend beyond seven (7) years
 - The Bond holders will require additional tax revenue in years when Real Property Taxes are insufficient to pay Bond Debt Service
 - Establishment of a Special Services District pursuant to Connecticut General Statutes Chapter 105a
 - Collect Special Services District Taxes in lieu of PILOT payments
 - SSD Taxes will be levied each year and will constitute property taxes
 - Incremental Real Property Taxes and Special Services District Taxes will be used to pay Debt Service on the Bonds

CT Studios LLC

*Connecticut Studios
Town of South Windsor, Hartford County, Connecticut*

Schedule I: Sources and Uses of Funds and Bond Issuance Assumptions

	Proceeds	Percent
Sources of funds:		
Bond proceeds	\$14,599,000	99.8%
Interest earned in the improvement fund (see Schedule V)	\$27,204	0.2%
Total sources of funds	\$14,626,204	100.0%
Total uses of funds:		
Improvement costs (see Schedule II)	\$10,063,942	68.8%
Issuance costs	\$500,000	3.4%
Underwriter's discount	\$292,524	2.0%
Capitalized interest (see Schedule IV)	\$2,308,919	15.8%
Reserve fund	\$1,459,900	10.0%
Rounding	\$918	0.0%
Total uses of funds	\$14,626,204	100.0%
Assumptions:		
Maturity		30 years
Interest only		4 years
Amortization		26 years
Bond coupon rate:		8.00%
Reinvestment rates:		
Reserve fund		2.50%
Improvement fund		0.50%
Capitalized interest account		0.50%
Date bonds issued		1-Apr-11
Dates payments due:		
Interest	April 1 and October 1	
Principal	April 1	
Capitalized interest:		
Interest funded through		1-Apr-13
Months interest funded		24

MuniCap, Inc.

File Report\STR No. 2\CT Studio ST Projection No. 2.xls\T
8-Nov-10

CT Studios LLC

Connecticut Studios
Town of South Windsor, Hartford County, Connecticut

Schedule XI: Projected Payment of Debt Service and Debt Service Coverage

Final Tax Due Date	Bond Year Ending	Net Annual Debt Service ¹	Incremental Real Property Tax Available for Debt Service ²	Surplus/ (Deficit)	Special Tax	Net Surplus/ (Deficit)	Cumulative Surplus	Debt Service Coverage Incremental	All Revenues
1-Feb-12	1-Apr-12	\$0	\$0	\$0	\$0	\$0	\$0	NA	NA
1-Feb-13	1-Apr-13	\$0	\$796,631	\$796,631	\$0	\$796,631	\$796,631	NA	NA
1-Feb-14	1-Apr-14	\$1,162,635	\$1,348,238	\$185,604	\$0	\$185,604	\$982,235	116%	116%
1-Feb-15	1-Apr-15	\$1,163,259	\$1,548,577	\$385,318	\$0	\$385,318	\$1,367,553	133%	133%
1-Feb-16	1-Apr-16	\$1,169,895	\$2,384,073	\$1,214,178	\$0	\$1,214,178	\$2,581,731	204%	204%
1-Feb-17	1-Apr-17	\$1,190,065	\$2,455,595	\$1,265,530	\$0	\$1,265,530	\$3,847,261	206%	206%
1-Feb-18	1-Apr-18	\$1,209,647	\$2,529,263	\$1,319,616	\$0	\$1,319,616	\$5,166,877	209%	209%
1-Feb-19	1-Apr-19	\$1,229,563	\$2,608,310	\$1,378,747	\$0	\$1,378,747	\$6,545,624	212%	212%
1-Feb-20	1-Apr-20	\$1,249,652	\$2,686,559	\$1,436,907	\$0	\$1,436,907	\$7,982,530	215%	215%
1-Feb-21	1-Apr-21	\$1,270,755	\$2,767,156	\$1,496,400	\$0	\$1,496,400	\$9,478,931	218%	218%
1-Feb-22	1-Apr-22	\$1,291,632	\$2,850,170	\$1,558,538	\$0	\$1,558,538	\$11,037,469	221%	221%
1-Feb-23	1-Apr-23	\$1,313,124	\$2,935,676	\$1,622,552	\$0	\$1,622,552	\$12,660,021	224%	224%
1-Feb-24	1-Apr-24	\$1,334,990	\$3,026,914	\$1,691,925	\$0	\$1,691,925	\$14,351,945	227%	227%
1-Feb-25	1-Apr-25	\$1,356,991	\$3,117,722	\$1,760,731	\$0	\$1,760,731	\$16,112,676	230%	230%
1-Feb-26	1-Apr-26	\$1,378,887	\$3,211,253	\$1,832,367	\$0	\$1,832,367	\$17,945,043	233%	233%
1-Feb-27	1-Apr-27	\$1,402,439	\$3,307,591	\$1,905,152	\$0	\$1,905,152	\$19,850,195	236%	236%
1-Feb-28	1-Apr-28	\$1,425,246	\$3,406,819	\$1,981,573	\$0	\$1,981,573	\$21,831,768	239%	239%
1-Feb-29	1-Apr-29	\$1,449,070	\$3,512,192	\$2,063,122	\$0	\$2,063,122	\$23,894,890	242%	242%
1-Feb-30	1-Apr-30	\$1,472,510	\$3,617,558	\$2,145,048	\$0	\$2,145,048	\$26,039,938	246%	246%
1-Feb-31	1-Apr-31	\$1,497,247	\$3,726,084	\$2,228,837	\$0	\$2,228,837	\$28,268,775	249%	249%
1-Feb-32	1-Apr-32	\$1,521,801	\$3,837,867	\$2,316,066	\$0	\$2,316,066	\$30,584,841	252%	252%
1-Feb-33	1-Apr-33	\$1,546,772	\$3,953,003	\$2,406,230	\$0	\$2,406,230	\$32,991,072	256%	256%
1-Feb-34	1-Apr-34	\$1,571,682	\$4,074,761	\$2,503,080	\$0	\$2,503,080	\$35,494,151	259%	259%
1-Feb-35	1-Apr-35	\$1,598,049	\$4,197,004	\$2,598,955	\$0	\$2,598,955	\$38,093,106	263%	263%
1-Feb-36	1-Apr-36	\$1,624,236	\$4,322,914	\$2,698,679	\$0	\$2,698,679	\$40,791,785	266%	266%
1-Feb-37	1-Apr-37	\$1,651,681	\$4,452,602	\$2,800,921	\$0	\$2,800,921	\$43,592,706	270%	270%
1-Feb-38	1-Apr-38	\$1,678,665	\$4,586,180	\$2,907,515	\$0	\$2,907,515	\$46,500,221	273%	273%
1-Feb-39	1-Apr-39	\$1,706,549	\$4,726,934	\$3,020,385	\$0	\$3,020,385	\$49,520,606	277%	277%
1-Feb-40	1-Apr-40	\$1,734,533	\$4,868,742	\$3,134,209	\$0	\$3,134,209	\$52,654,815	281%	281%
1-Feb-41	1-Apr-41	\$298,918	\$5,014,804	\$4,715,887	\$0	\$4,715,887	\$57,370,702	1678%	1678%
Total		\$38,500,492	\$95,871,193	\$57,370,702	\$0	\$57,370,702			

MuniCap, Inc.

M/CONSULTING/DGennaro & Palumbo, LLP/CT Studios/Special Tax Report/STR No. 2/CT Studio ST Projection No. 2.xls/DI
8-Nov-10

¹See Schedule III.

²Includes incremental real property taxes only. Personal property revenues are excluded. See Schedule X.

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CT Studios

Connecticut Studios
Town of South Windsor, Hartford County, Connecticut

Schedule XII: Debt Service Coverage Worksheet

	Projected Coverage at Issuance ¹ 1-Apr-11
Date bonds are issued	
Estimated assessed value of development underway at bond issuance: ²	
Phase I studio complex	\$22,638,000
Mill and storage building	\$5,355,000
Hotel	\$8,750,000
Total estimated assessed value	\$36,743,000
Less: base value	(\$701,960)
Incremental assessed value	\$36,041,040
Real property mill rate	\$29.19
Incremental property taxes	\$1,052,045
Incremental property taxes available for debt service	100.0%
Available incremental property taxes	\$1,052,045
Annual debt service (April 1, 2014)	\$1,162,635
Debt service coverage at bond issuance	90%

MiniCap, Inc.

*Studio ST Projection No. 2x12JXH
8-Nov-10*

¹Development projected to be under construction includes the Phase I studio complex, the mill and storage building, and hotel.

²Represents the assessed value, adjusted for inflation, of development under construction as of October, 1, 2010. Assessed value represents 70% of market value.

CT Studios LLC

Connecticut Studios
Town of South Windsor, Hartford County, Connecticut

Schedule X: Projected Real Property Tax Increment Revenues

Final Tax Due Date	Bond Year Ending	Inflation Factor ¹	Total Projected Market Value ²	Assessment Ratio	Total Projected Assessed Value	Less: Base Value ³	Total Incremental Value	Mill Rate Inflation ⁴	Real Property Mill Rate ⁵	Projected Tax Revenues	Available For Debt Service	Tax Revenues Available to For Debt Service
1-Feb-12	1-Apr-12	100.0%	\$0	70%	\$0	(\$701,960)	\$0	100.0%	\$28.34	\$0	100%	\$0
1-Feb-13	1-Apr-13	100.0%	\$39,990,000	70%	\$27,993,000	(\$701,960)	\$27,291,040	103.0%	\$29.19	\$796,631	100%	\$796,631
1-Feb-14	1-Apr-14	115.9%	\$68,965,215	70%	\$48,275,650	(\$701,960)	\$47,573,690	100.0%	\$28.34	\$1,348,238	100%	\$1,348,238
1-Feb-15	1-Apr-15	115.9%	\$76,790,315	70%	\$53,753,220	(\$701,960)	\$53,051,260	103.0%	\$29.19	\$1,548,577	100%	\$1,548,577
1-Feb-16	1-Apr-16	115.9%	\$114,281,238	70%	\$79,996,867	(\$701,960)	\$79,294,907	106.1%	\$30.07	\$2,384,073	100%	\$2,384,073
1-Feb-17	1-Apr-17	115.9%	\$114,281,238	70%	\$79,996,867	(\$701,960)	\$79,294,907	109.3%	\$30.97	\$2,455,595	100%	\$2,455,595
1-Feb-18	1-Apr-18	115.9%	\$114,281,238	70%	\$79,996,867	(\$701,960)	\$79,294,907	112.6%	\$31.90	\$2,529,263	100%	\$2,529,263
1-Feb-19	1-Apr-19	134.4%	\$132,483,277	70%	\$92,738,294	(\$701,960)	\$92,036,334	100.0%	\$28.34	\$2,608,310	100%	\$2,608,310
1-Feb-20	1-Apr-20	134.4%	\$132,483,277	70%	\$92,738,294	(\$701,960)	\$92,036,334	103.0%	\$29.19	\$2,686,559	100%	\$2,686,559
1-Feb-21	1-Apr-21	134.4%	\$132,483,277	70%	\$92,738,294	(\$701,960)	\$92,036,334	106.1%	\$30.07	\$2,767,156	100%	\$2,767,156
1-Feb-22	1-Apr-22	134.4%	\$132,483,277	70%	\$92,738,294	(\$701,960)	\$92,036,334	109.3%	\$30.97	\$2,850,170	100%	\$2,850,170
1-Feb-23	1-Apr-23	134.4%	\$132,483,277	70%	\$92,738,294	(\$701,960)	\$92,036,334	112.6%	\$31.90	\$2,935,676	100%	\$2,935,676
1-Feb-24	1-Apr-24	155.8%	\$153,584,428	70%	\$107,509,100	(\$701,960)	\$106,807,140	100.0%	\$28.34	\$3,026,914	100%	\$3,026,914
1-Feb-25	1-Apr-25	155.8%	\$153,584,428	70%	\$107,509,100	(\$701,960)	\$106,807,140	103.0%	\$29.19	\$3,117,722	100%	\$3,117,722
1-Feb-26	1-Apr-26	155.8%	\$153,584,428	70%	\$107,509,100	(\$701,960)	\$106,807,140	106.1%	\$30.07	\$3,211,253	100%	\$3,211,253
1-Feb-27	1-Apr-27	155.8%	\$153,584,428	70%	\$107,509,100	(\$701,960)	\$106,807,140	109.3%	\$30.97	\$3,307,591	100%	\$3,307,591
1-Feb-28	1-Apr-28	155.8%	\$153,584,428	70%	\$107,509,100	(\$701,960)	\$106,807,140	112.6%	\$31.90	\$3,406,819	100%	\$3,406,819
1-Feb-29	1-Apr-29	180.6%	\$178,046,446	70%	\$124,632,512	(\$701,960)	\$123,930,552	100.0%	\$28.34	\$3,512,192	100%	\$3,512,192
1-Feb-30	1-Apr-30	180.6%	\$178,046,446	70%	\$124,632,512	(\$701,960)	\$123,930,552	103.0%	\$29.19	\$3,617,558	100%	\$3,617,558
1-Feb-31	1-Apr-31	180.6%	\$178,046,446	70%	\$124,632,512	(\$701,960)	\$123,930,552	106.1%	\$30.07	\$3,726,084	100%	\$3,726,084
1-Feb-32	1-Apr-32	180.6%	\$178,046,446	70%	\$124,632,512	(\$701,960)	\$123,930,552	109.3%	\$30.97	\$3,837,867	100%	\$3,837,867
1-Feb-33	1-Apr-33	209.4%	\$206,404,628	70%	\$144,483,240	(\$701,960)	\$143,781,280	100.0%	\$28.34	\$4,074,761	100%	\$4,074,761
1-Feb-34	1-Apr-34	209.4%	\$206,404,628	70%	\$144,483,240	(\$701,960)	\$143,781,280	103.0%	\$29.19	\$4,197,004	100%	\$4,197,004
1-Feb-35	1-Apr-35	209.4%	\$206,404,628	70%	\$144,483,240	(\$701,960)	\$143,781,280	106.1%	\$30.07	\$4,322,914	100%	\$4,322,914
1-Feb-36	1-Apr-36	209.4%	\$206,404,628	70%	\$144,483,240	(\$701,960)	\$143,781,280	109.3%	\$30.97	\$4,452,602	100%	\$4,452,602
1-Feb-37	1-Apr-37	209.4%	\$206,404,628	70%	\$144,483,240	(\$701,960)	\$143,781,280	112.6%	\$31.90	\$4,586,180	100%	\$4,586,180
1-Feb-38	1-Apr-38	242.7%	\$239,279,534	70%	\$167,495,674	(\$701,960)	\$166,793,714	100.0%	\$28.34	\$4,726,934	100%	\$4,726,934
1-Feb-39	1-Apr-39	242.7%	\$239,279,534	70%	\$167,495,674	(\$701,960)	\$166,793,714	103.0%	\$29.19	\$4,868,742	100%	\$4,868,742
1-Feb-40	1-Apr-40	242.7%	\$239,279,534	70%	\$167,495,674	(\$701,960)	\$166,793,714	106.1%	\$30.07	\$5,014,804	100%	\$5,014,804
1-Feb-41	1-Apr-41	242.7%	\$239,279,534	70%	\$167,495,674	(\$701,960)	\$166,793,714					
Total										\$95,871,193		\$95,871,193

AdvisCap, Inc.

AC CONSULTING/D'Alessandro & Palumbo, LLP CT Studios/Special Tax Report/STR No. 2/CT Studio ST Projections No. 2.a/2010
8-Nov-10

¹Based on information provided by the Town of South Windsor Assessor's Office, the last revaluation occurred in 2007 and occurs every five years thereafter. The next revaluation is expected to occur in 2012. Inflation rate is assumed to be 3% compounded annually.

²See Schedule VIII.

³See Schedule IX.

⁴During years of a revaluation, the mill rate is assumed to decrease in order to maintain a 3% increase in revenues. Represents the Town of South Windsor tax rate for the 2009 grand list year, increased with the mill rate inflation factor shown.

CT Studios LLC

Real Property Tax Coverage

Final Tax Due Date	Tax Revenues Available for D/S	Debt Service	Tax Revenues @ 20%	Balance Available For D/S
1-Feb-13	\$ 796,631	\$ 0	\$ 159,326	
1-Feb-14	\$ 1,348,232	\$ 1,162,635	\$ 269,646	\$ 1,078,586
1-Feb-15	\$ 1,548,577	\$ 1,163,259	\$ 309,715	\$ 1,238,862
1-Feb-16	\$ 2,384,073	\$ 1,169,895	\$ 476,814	\$ 1,907,259
1-Feb-17	\$ 2,455,595	\$ 1,190,055	\$ 491,119	\$ 1,964,476

CT Studios LLC



Market Considerations *Stamford, CT – Dealing in a Limited Market*

Stone & Youngberg served as sole underwriter on the only analogous transaction completed since the credit crisis.

Harbor Point Infrastructure Improvement District Special Obligation Revenue Bonds

- **Par Amount:**
\$129,000,000 Series 2010A (*Tax-Exempt*)
\$16,000,000 Series 2010B (*Federally Taxable – Recovery Zone Economic Development Bonds*)
- **Project:** Redevelopment of an approx. 6 million square foot mixed-use, pedestrian friendly, transit community
- **Security:** Incremental real property taxes and back-up special assessment revenues
- **Rating:** Unrated
- **Financing Highlights:**
 - District and City entered into an Interlocal Agreement that defined tax increment pledged to debt service
 - Ability to levy and collect special assessments in the event of debt service shortfalls
 - First project to receive a Recovery Zone Economic Development Bond allocation from the State of Connecticut
- **Marketing:** Exhaustive investor presentations with over 30 separate institutions ranging from private equity firms to corporations to traditional municipal bond funds



CT Studios LLC



Stone & Youngberg Experience and Commitment *National Leader in Tax Increment and Assessment Financings*

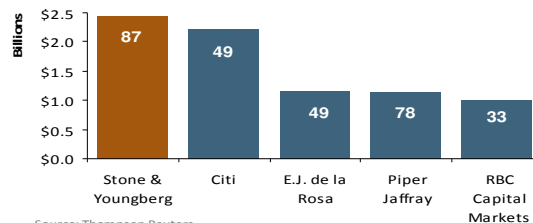
■ #1 in Tax Increment Financing

- S&Y has structured more economic development and redevelopment projects through TIF financing of necessary public infrastructure than any other investment bank in the country
- S&Y's professionals are often called upon to assist in evaluating legislative or procedural constraints in states with relatively new or unused TIF statutes

■ #1 in Land Secured Financing

- Since the firm's inception in 1931, land-secured finance has been, and continues to be a core business practices
- S&Y is unequalled when it comes to raising funds in the capital markets for non-rated, high-yield "story" credits

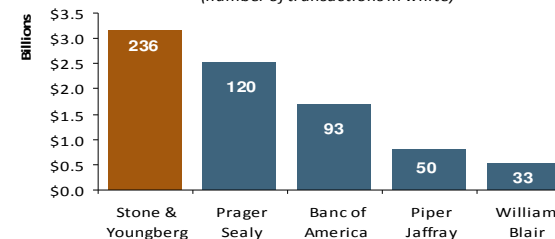
Top 5 Tax Increment Financing Underwriters
(2005-2009)
(number of transactions in white)



Source: Thompson Reuters



Top 5 Non-Rated Land-Secured Underwriters
(2005-2009)
(number of transactions in white)



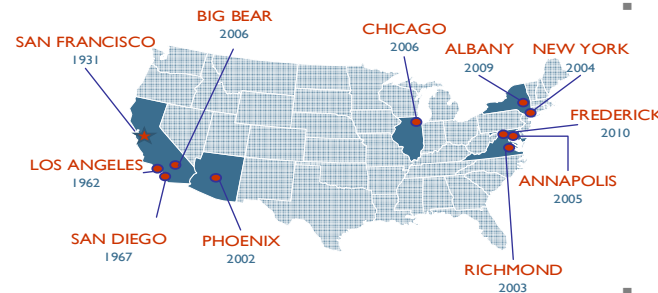
Source: IPREO

CT Studios LLC



Stone & Youngberg Firm Overview

Nearly 80 years of public infrastructure financing experience...



- **Core Business: Municipal Finance**

- **Established in 1931**

We are one of the oldest privately owned independent full service broker-dealers in the United States; testimony to our prudent management and effective client relationships

- Headquartered in San Francisco with offices in New York, Albany, Los Angeles, San Diego, Chicago, Phoenix, Richmond, Frederick, Annapolis, and Big Bear Lake
- Privately owned & managed
- Fixed-income Specialization
- Specialist in “story” credits

- **Firm Wide Depth**

- 47 bankers nationwide
- 215 professionals nationwide

National Rankings

2005-09 underwriting volume totals: \$20.7 billion across 945 transactions, ranking #13 in the industry
Consistently #1 in non-rated and lower ranked local government credits



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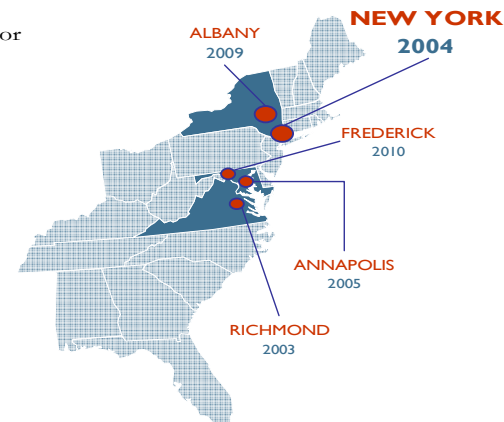
CT Studios LLC



Stone & Youngberg Firm Overview *Growth on the East Coast*

■ Aggressive East Coast Expansion in the Last 2 Years

- *Municipal Focus:* no TARP bailouts, overleveraged balance sheets, or mortgage delinquencies
 - Investment banking professionals with over 100 years of combined municipal finance experience
 - Ramiro Albarran, *Managing Director* (NY)
 - Jeffrey Hyman, *Managing Director* (NY)
 - John Muus, *Managing Director* (NY)
 - Ken Powell, *Managing Director* (VA)
 - Nate Betnun, *Managing Director* (MD)
 - Walter Kulakowski, *Managing Director* (NY)
 - Joanne Feld, *Vice President* (NY)
 - Emily Chan, *Associate* (NY)
 - Kojo Asiedu, *Associate* (NY)
 - Sales & trading, and private client professionals recently added to the team
 - Jay Murphy, *Municipal Underwriter* (NY)
 - 8 in Taxable Sales & Trading (NY)



New York is the largest office outside of the Firm's San Francisco headquarters



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Stone & Youngberg Market Trades for Unrated Development District Bonds For Projects under Development



- The first major, unrated bond issue since the Lehman crisis came to market in January for Harbor Point in Stamford, CT on both a tax-exempt and taxable basis.
- Unlike in prior months when fewer large market trades were made, all trades shown below are at least \$1 million; in all cases the yields are lower than on prior trades for the same bond.
- The 30-year MMD index for tax-exempt AAA rated bonds began the month at 4.16%, declined to as low as 4.05% in the middle of the month and rose back to 4.23% at the end of the month.
- The Investment Company Institute reported \$4.7 billion net inflows into tax-exempt bond mutual funds for the 1st four weeks of January.
- Sources: Electronic Municipal Market Access of the Municipal Securities Rule Making Board, city and county tax rolls, offering statements, and MMD.

Issuer	Harbor Point Infr. Imp. Distr. ¹	Harbor Point Infr. Imp. Distr. ²	Brooklyn Arena LDC ³	Fairfield CFD	Northstar CFD (District #1)	Panther Trace II CDD	Watson Road CFD	Confluence Metro. Distr.
Location/Region	Stamford	Stamford	Brooklyn	Valejo-Fairfield MSA	Lake Tahoe	Tampa	Buckeye	Rocky Mountains
State	Connecticut	Connecticut	New York	California	California	Florida	Arizona	Colorado
Location Type	Urban	Urban	Urban	Suburban	Resort	Suburban	Suburban	Resort
Development Type	Mixed-Use	Mixed-Use	Arena	Mixed Use/ Commercial	99% Residential; 1% Commercial	Residential	Residential	Mixed Use
Development Status	17% under construction	17% under construction	0%; expect 2012 completion	22% developed	Residential 21% developed; commercial 100%	40% homeowner occupied	15% with building permits	33% units sold to end users; 22% commercial leased
Developer Type	Regional	Regional	National	Regional	Regional	Regional	National & Local	Regional
Security Type	TIF/ Special assessments	TIF/ Special assessments	PILOT equal to normal taxes	Special taxes	Special taxes	Special assessments	Special assessments	Limited ad valorem tax; motor veh. tax
Value/Bonds	2.0:1	2.0:1	Not Available	3.0:1	3.4:1	Not Available	4.6:1	Not Available
Delinquency Rate	Not Applicable	Not Applicable	Not Applicable	0%	5.4%	2.1%	2%	0%
Original Issue Date	1/21/10	1/21/10	12/23/09	4/3/08	12/20/05	2/1/05	12/29/05	5/9/2007
Maturity	4/1/39 ¹	4/1/39	7/15/45	9/1/38	9/1/28	5/1/35	7/1/30	12/1/27
Trade Date	1/21/10	1/21/10	1/12/10	1/6/10	1/7/10	1/11/10	1/28/10	1/29/10
Trade Amount	\$113,070,000	\$16,000,000	\$5,470,000	\$2,000,000	\$2,000,000	\$11,345,000	\$1MM+	\$1,000,000
Yield	7.88%	12.50%	7.84% ⁴	7.52%	7.03%	7.94%	8.06%	8.45%
MMD AAA Index for Maturity on Trade Date	4.04%	Taxable	4.13%	4.10%	3.62%	4.08%	3.82%	3.61%
Spread to MMD	3.84%	8.00% > USTreas	3.71%	3.42%	3.41%	3.86%	4.26%	4.84%
Prior Trade Date	New Issue	New Issue	12/16/09	1/5/10	5/27/09	None	10/26/09	4/3/09
Yield on Prior Trade	Not Applicable	Not Applicable	7.95%	7.72%	8.37%	Not Applicable	8.15%	9.72%

Footnotes
¹Also: \$15.3MM due 4/1/22 @ 7.00%
²Rocky Zone Bonds w/ 45% Fed. Pmt.
³Rated: Baa3/BBB-
⁴0% coupon rate

January 2010

Stone & Youngberg