



Allentown Water and Sewer System

Request for Qualifications for Water and Sewer Concession

Prepared For:

Mr. Scott Shearer
Managing Director
Public Financial Management, Inc.

Mr. Jason Brockman
Senior Managing Consultant
Public Financial Management, Inc.

August 17, 2012

ALLENTOWN FORWARD, LLC

Request for Qualifications



August 17, 2012

To: Scott Shearer

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Subject: Allentown Water and Sewer System - Request for Qualifications Statement for Water and Sewer Concession

On behalf of Allentown Forward, LLC, we are pleased to submit our Request for Qualifications (“RFQ”) response to your Request for Qualifications issued July 19, 2012 related to the Allentown Water and Sewer System Concession. Allentown Forward, LLC (the “Consortium”) is a consortium consisting of Antarctica PAO Partners, LLC (consortium manager and joint asset manager), Bank of America Merrill Lynch (financing underwriter), and Provident Resources Group (501(c)(3) owner), which has been formed to pursue jointly the Parking Assets transaction. The unique financial and technical capabilities and expertise of the Consortium and its innovative Public Steward Structure™ financing structure from the PAO Program™ are capable of fulfilling the City’s primary objectives for the water assets concession: 1) maximize the overall value of the transaction to the City in the short and long-term, 2) provide sufficient assurances that all technical and financial assurances obligations will be met over the life of the Concession, 3) provide current and future customers of the Water Assets with safe and effective water and sewer services while assuring the City of fair rate management, and 4) provide for the capital improvements required to optimize the long-term value of the Water Assets.

Our proposal strives to create a true partnership and sharing of benefits between the City and our Consortium. We believe our approach will serve as a model for successful public private partnerships in the future, since the focus is upon optimizing the value of the water assets, ensuring a long-term solution that benefits the City; thereby avoiding the risks inherent in a short-term fix which creates long-term problems. We believe we offer the City the lowest cost of capital which permits us to offer greater proceeds to the City without demanding the windfall profits (and the concomitant dramatic increase in rates) that those with a higher cost of capital would require to justify matching our anticipated offer. For the reasons discussed in the attached response to the RFQ, the Consortium has elected not to select its operating partner for the water assets until after the RFQ process and after consultation with the City.

Members of the Consortium have a proven track record of executing this type of financing structure and implementing the operational and capital improvements required for achieving the City’s objectives, ensuring excellent stewardship of the City’s water assets. Moreover, the Public Steward Structure™ offers the Receiver opportunities for

ALLENTOWN FORWARD, LLC

considerable additional benefits as we have started to discuss in our response to this RFQ. Indeed, we believe our approach to the monetization of the water assets offers a blend of the best characteristics of a private sector concession and continued public sector ownership.

Thank you for your consideration of this submission. We look forward to working with the City of Allentown and to ensure that the proposed Water Assets transaction becomes a model for government asset optimization.

If you have any questions, please do not hesitate to contact me at 212.983.1605. We look forward to working with you.

Sincerely,



Chandra R. Patel

Managing Director

Antarctica PAO Partners, LLC, Managing Member of Allentown Forward, LLC

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Section D: Executive Summary

INTRODUCTION

Allentown Forward, LLC (the “Consortium”) is pleased to submit our Request for Qualifications Statement (“RFQ”) in response to the Request for Qualifications issued July 19, 2012 related to the water and sewer assets of the City of Allentown (the “Water Assets”), and looks forward to the potential opportunity to bid on the concession for the monetization and operational stewardship of the Water Assets. Our response highlights our Consortium’s depth of experience and breadth of capability to support the primary objectives of the City, and our ability to offer what we believe to be the lowest cost of capital, while offering the City flexibility in the operational management of the Water Assets and an ownership structure that reflects a closer alignment with the City’s interests than the traditional privatization model.

The Consortium consists of Antarctica PAO Partners, LLC (asset manager and Consortium manager) Bank of America Merrill Lynch (financing underwriter), and Provident Resources Group (501(c)(3) owner) that has been formed to pursue jointly the RFQ. As discussed further in this RFQ, the Consortium has not yet selected the entity that will serve as the operator of the Water Assets during the term of the Concession.

As demonstrated in this RFQ, and in addition to offering what is likely the lowest cost of capital, our team brings together a highly qualified group of participants with a track record of success in executing our financing structure, operating and optimizing water assets, and working in partnership with municipalities and other governmental entities.

APPROACH

The unique financial and technical capabilities and expertise of the Consortium and its innovative Public Steward Structure™ financing structure from the PAO Program™ are capable of fulfilling the City’s primary objectives for the Water Assets transaction: 1) maximize the overall value of the transaction to the City in the short and long-term, 2) provide sufficient assurances that all technical and financial assurances obligations will be met over the life of the Concession, 3) provide current and future customers of the Water Assets with safe and effective water and sewer services while assuring the City of fair rate management, and 4) provide for the capital improvements required to optimize the long-term value of the Water Assets.

The Public Steward Structure™ for the monetization of the Water Assets offers a blend of the best characteristics of a private sector concession and continued public sector ownership. Our approach ensures that the monetization of the Water Assets serves the long-term interests of the City and is not just a short-term fix. The Public Steward Structure™ specifically addresses the criticisms of the Chicago, Pittsburgh and other executed and proposed asset monetization transactions. Our focus upon a long-term capital plan and a sustainable solution includes a contractual commitment by the Consortium to make required capital improvements during the life of the transaction. Indeed, our approach permits us to have a flexible approach to labor, including the ability to retain the existing labor force for the Water Assets and work in collaboration with organized labor.

Members of the Consortium have a proven track record of executing this type of financing structure, managing assets comparable to the City's Water Assets, and implementing the improvements and enhancements required for achieving the City's objectives, ensuring excellent stewardship of the City's Water Assets.

Antarctica PAO Partners, LLC (together with its affiliates, "Antarctica") is the manager of the Consortium and will be the asset manager. Antarctica PAO Partners was originally formed to implement the Public Asset Optimization (PAO Program™). The PAO Program™ provides an innovative solution for public sector entities to optimize the value of their capital assets and maximize the potential of assets for value extraction (including monetization) and revenue growth, while ensuring asset maintenance and improvement. The PAO Program™ has the flexibility to unlock the value of government owned assets, while addressing and reflecting key stakeholder concerns. Antarctica has the capability and commitment to execute high profile public private transactions. For example, Antarctica was the winning bidder in the Golden State Portfolio ("GSP") transaction in California in 2010, prevailing over 300 other bidders. The GSP transaction which is under contract involves the sale-leaseback of a portfolio of 7.3 million square feet of office buildings by the State of California. Antarctica's winning bid was \$2.3 billion and included a deposit of \$55 million. Antarctica is currently in the process of applying the PAO Program™ to the GSP portfolio to permit the State to realize the value of its assets while addressing stakeholder concerns. Baseline Engineering Corporation is serving as an internal advisor to Antarctica for the City's proposed Water Assets Concession.

Bank of America Merrill Lynch ("BofAML") plays a prominent role in the Pennsylvania public finance space. The firm has worked with state and local governments to underwrite municipal bonds funding for a wide range of public facility projects and public infrastructure. It is expected that BofAML will serve as the underwriter for the financing. The firm is the #1 underwriter both nationally and in the Commonwealth of Pennsylvania ("Commonwealth"). Since January 1, 2010, BofAML has senior managed 1,106 transactions nationally for a total par of \$103.8 billion earning a 13.6% market share which includes 49 transactions in the Commonwealth for a total par of \$4.7 billion representing a 15.3% market share.

Provident Resources Group ("Provident") will be the 501(c)(3) owner of the Water Assets pursuant to the Consortium's financing structure. Provident is a national nonprofit organization with charitable purposes including, but not limited to, facilities, programs, activities and services that serve to assist state and local governments in lessening their burdens. Provident has served its missions in over 17 states over the past decade, accessing approximately \$1.5 billion in capital from the private and public markets. Provident has assembled an asset base of approximately \$850 million while serving its missions in the U.S.

The Consortium has not yet selected the entity that will serve as the operator of the Water Assets during the term of the concession. Antarctica has had discussions with leading water asset operating companies (including OMI, American Water, Veolia, Severn Trent, and Epcor), each of whom either has potential conflicts until after the RFQ process or are a part of other groups who intend possibly to bid for the Concession for the City's Water Assets. The Consortium has elected to not select its operating partner for the Water Assets until after the RFQ process and after consultation with the City. The Antarctica team (including Baseline Engineering Corporation, its internal advisor) has the capability to evaluate and underwrite the City's Water Assets and manage any of the aforementioned or the other leading water companies. The Consortium believes it is important that the City have the flexibility to select an investment group that not only offers the greatest value (in terms of proceeds, terms and nature of transaction, and ability to offer the City ongoing participation in the management of the Water Assets) but also offers the City the flexibility to choose the best in class operator for the Water Assets in collaboration with the Consortium. This approach is very similar to the public private partnership transactions that involve the sale and leaseback of government office buildings

whereby property management responsibilities are contracted out separately to a professional property management company and the long term asset management function remains with the acquiring concession owner. A similar approach is currently being used in Nassau County, New York, which is seeking to monetize its water and waste treatment system and where Antarctica has also submitted its interest in the proposed concession. Antarctica and the Consortium have the funding and financing capability to fund all payments due under the City's proposed Concession for the Water Assets.

Advisors to the team or its members include: DLA Piper, as counsel to the Consortium; Obermayer, as local counsel; and Jones Walker, as counsel to Provident; and Jones Day, as underwriter's counsel.

FINANCING STRUCTURE AND VALUE CREATION

The PAO Program™ provides an innovative solution for public sector entities to optimize the value of their capital assets and maximize the potential of these assets for monetization or revenue growth. The PAO Program™ has the flexibility to unlock the value of government owned assets, and offers the greatest return on assets for local, state and federal government entities.

Allentown Forward, LLC intends to execute the Public Steward Structure™ from the PAO Program™ to fund the acquisition of the Water Assets since it offers the lowest cost of funds to the City. Pursuant to the Public Steward Structure™, the Consortium has the financial capability to make the required upfront payment upon the closing of the proposed transaction, undertake other commitments under the Concession agreement with the City, including maintaining and upgrading the Water Assets, and financing future required expansion of the Water Assets. Members of the Consortium can demonstrate the required funds and their ability to raise financing for a project of the nature and scope of the Water Assets. The Public Steward Structure™ also enables the Consortium to offer the City considerable additional "Value Creation" that would maximize value for the City while at the same time meeting the City's objectives and offering high-quality service to the City's water and sewer customers. This additional value creation includes:

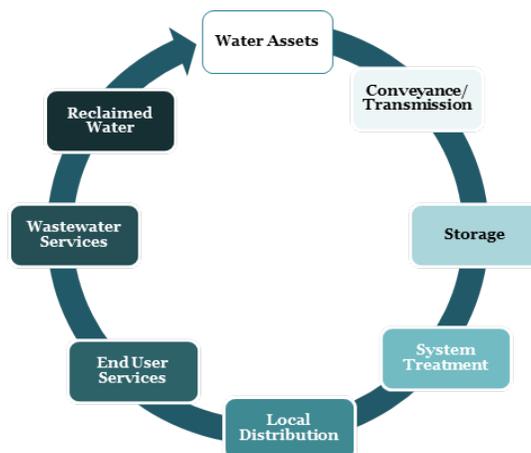
- Lowest cost of capital which will mean high upfront proceeds
- True public private partnership permitting City input into structure and nature of concession, ownership of assets, rate setting, selection of operating partner, operations and maintenance, and enhancements and capital improvements
- Potential for a shorter term for concession
- Management of rate setting in collaboration with City
- Intent to retain existing labor force for Water Assets and experience working with and good relations with organized labor
- Ownership that reflects a closer alignment of interests with the City than a traditional private sector ownership structure
- Preserving long term ownership of the Water Assets for the City

TECHNICAL CAPABILITY

As discussed above, the Consortium has not yet selected its operating partner for the Water Assets. The Antarctica team (including Baseline Engineering Corporation, its internal advisor) has the capability to evaluate and underwrite the City's Water Assets and manage the leading water companies. The Antarctica team has experience in the entire water sector (see Water Value Cycle diagram below) including specific experience in utility management. Key team members have not only operated and managed large municipal utility systems, such as the city of Phoenix, but have also served as elected officials and policymakers. This has included serving on the Board of Directors for the Central Arizona Project, which delivers water to millions of people in central Arizona. The Antarctica team understands that the key to a successful public private partnership will be the system employed by our team for the Water Assets. This will require combining careful analysis with our understanding of the different risks involved, including: infrastructure investment requirements, operating requirements, communications with the operator, the regulatory framework under which the Water Assets operate, and a comprehensive plan to manage these risks. Our water and wastewater team's experience includes:

- Responsibility for a municipal wastewater system serving a population of over 2 million including responsibility for capital investments, which ranged in the hundreds of millions of dollars, and operation and maintenance of facilities collecting and treating in excess of 100 million gallons per day
- Contract operated water and wastewater facilities for municipalities and investor owned systems including responsibility for compliance assurance and reporting
- Designed water and wastewater facilities of various sizes and levels of sophistication
- Evaluated water and wastewater systems on behalf of buyers and sellers to determine the level of capital investment needed to upgrade the system for operating efficiency and to help the buyer determine the expected return on investment
- Conducted extensive utility system operational audits to determine efficiency and effectiveness from manpower utilization and overall system efficiencies

The Water Value Cycle



Section E: Proposer Information

- I. Description of Prospective Proposer:** Provide a description of the team, including a description of all team members and the anticipated legal relationship (governance and capital structure) among the team members (e.g., partners, shareholders, members, operators, subcontractors, etc.) as appropriate. All equity investors should be identified.

Allentown Forward, LLC is a consortium (the “Consortium”) that has been created to reply to the RFQ for the Water and Sewer Assets of the City of Allentown (the “Water Assets”). Allentown Forward, LLC is a Delaware Limited Liability Company. The Consortium is managed by Antarctica PAO Partners, LLC, and its members are Antarctica, Bank of America Merrill Lynch, and Provident Resources Group. As discussed further in this RFQ, the Consortium has not yet selected the entity that will serve as the operator of the Water Assets during the term of the concession.

The proposed roles of the members of the Consortium can be summarized as follows:

- **Antarctica PAO Partners:** Asset manager and the manager of the Consortium.
- **Bank of America Merrill Lynch:** The underwriter of the financing for the Water Assets.
- **Provident Resources Group:** The 501(c)(3) owner of the Water Assets.

A detailed description of each member of the Consortium, including their key personnel, follows.

II. Roles of Team Members and Key Personnel: Briefly outline the roles of the team members and key personnel. In doing so, please ensure that all the requirements as detailed in Section 3.1 are addressed.

ANTARCTICA



Overview: Antarctica PAO Partners, LLC (“Antarctica”) is an affiliate of Antarctica Capital, LLC, an international private equity firm with operations in the United States and Asia. Antarctica Capital has an established investment platform in Asia and in recent years has expanded its focus to include the United States. The investment focus has been to target strong assets that can withstand market downturns and provide above-market risk-adjusted returns. In particular, Antarctica Capital excels at structuring complex transactions that meet institutional investment standards and generate value-added returns. Antarctica PAO Partners was originally formed to implement the Public Asset Optimization (PAO Program™) developed by Antarctica Capital. The PAO Program™ provides an innovative solution for public sector entities to optimize the value of their capital assets and maximize the potential of assets for value extraction (including monetization) and revenue growth, while ensuring asset maintenance and improvement. The PAO Program™ has the flexibility to unlock the value of government owned assets, while addressing and reflecting key stakeholder concerns. Baseline Engineering Corporation is serving as an internal advisor to Antarctica for the City’s proposed Water Assets Concession.

Antarctica has the capability and commitment to execute high profile public private transactions. For instance, Antarctica was the winning bidder in the Golden State Portfolio (“GSP”) transaction in California in 2010. The GSP transaction which is under contract involves the sale-leaseback of a portfolio of 7.3 million square feet of office buildings by the State of California. Antarctica’s winning bid was \$2.3 billion and included a deposit of \$55 million. Antarctica is currently in the process of applying the PAO Program™ to the GSP portfolio to permit the State to realize the value of its assets while addressing stakeholder concerns. Antarctica is actively involved in public private partnerships and asset monetizations throughout the United States, and is applying the PAO Program™ to other transactions in the United States. Antarctica leads Sacramento Forward, LLC’s bid for the City of Sacramento’s Parking Assets and has qualified for the final RFP and is also offering funding for the proposed arena in Sacramento. Antarctica also leads Harrisburg Forward, LLC’s bid for the City of Harrisburg’s parking assets, and is one of the finalists for the concession. In the water sector, Antarctica has submitted its interest in participating in the proposed concession for the water and waste treatment system in Nassau County, New York. Antarctica is also in the early stages of a variety of public asset monetization and optimization transactions in California and Florida.

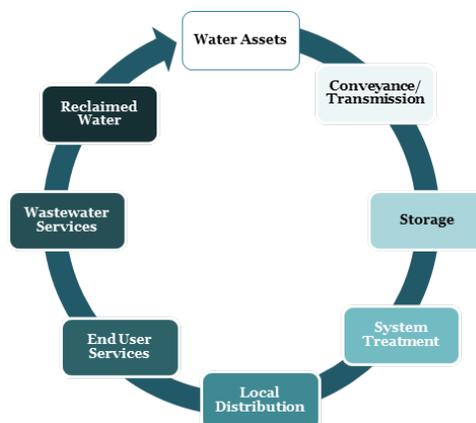
The Consortium has not yet selected the entity that will serve as the operator of the Water Assets during the term of the Concession. Antarctica has had discussions with leading water asset operating companies (including OMI, American Water, Veolia, Severn Trent, and Epcor), each of whom either has potential conflicts until after the RFQ process or are a part of other groups who intend possibly to bid for the Concession for the City’s Water Assets. The Consortium has elected not to select its operating partner for the Water Assets until after the RFQ process and after consultation with the City. The Antarctica team (including Baseline Engineering Corporation, its internal advisor) has the capability to evaluate and underwrite the City’s Water Assets and manage any of the aforementioned or the other leading water companies. The Consortium believes it is important that the City have the flexibility to select an investment group that not only offers the greatest value (in terms of proceeds, terms and nature of transaction, and the ability to offer the City ongoing participation in the management of the Water Assets) but also offers the City the flexibility to choose the best in class operator for the Water Assets in collaboration with the Consortium. This ap-

proach is very similar to the public private partnership transactions that involve the sale and leaseback of government office buildings whereby property management responsibilities are contracted out separately to a professional property management company and the long term asset management function remains with the acquiring concession owner. A similar approach is currently being used in Nassau County, New York, which is seeking to monetize its water and waste treatment system and where, as indicated above, Antarctica has also submitted its interest in the proposed concession.

The Antarctica team has experience in the entire water sector (see Water Value Cycle diagram below) including specific experience in utility management. Key team members have not only operated and managed large municipal utility systems, such as the city of Phoenix, but have also served as elected officials and policymakers. This has included serving on the Board of Directors for the Central Arizona Project, which delivers water to millions of people in central Arizona. The Antarctica team understands that the key to a successful public private partnership will be the system employed by our team for the Water Assets. This will require combining careful analysis with our understanding of the different risks involved, including: infrastructure investment requirements, operating requirements, communications with the operator, the regulatory framework under which the Water Assets operate, and a comprehensive plan to manage these risks. Our water and wastewater team's experience includes:

- Responsibility for a municipal wastewater system serving a population of over 2 million including responsibility for capital investments, which ranged in the hundreds of millions of dollars, and operation and maintenance of facilities collecting and treating in excess of 100 million gallons per day
- Contract operated water and wastewater facilities for municipalities and investor owned systems including responsibility for compliance assurance and reporting
- Designed water and wastewater facilities of various sizes and levels of sophistication
- Evaluated water and wastewater systems on behalf of buyers and sellers to determine the level of capital investment needed to upgrade the system for operating efficiency and to help the buyer determine the expected return on investment
- Conducted extensive utility system operational audits to determine efficiency and effectiveness from manpower utilization and overall system efficiencies

The Water Value Cycle



The key personnel from Antarctica who will be involved in the Water Assets transaction include the following:

Chandra R. Patel

PAO Program™

Antarctica PAO Partners, LLC

Chandra R. Patel has over 19 years experience in cross-border investment transactions. Mr. Patel directs the PAO Program™ for Antarctica. He has significant experience in structuring complex acquisitions and investments, such as government-owned assets, and innovative capital market transactions, particularly in emerging markets. Mr. Patel co-founded Antarctica's private equity business, and raised its first real estate fund. Previously, he invested in a portfolio of companies in software and healthcare, and commercialized intellectual property. Mr. Patel also founded and held senior management positions at a variety of technology and information services companies. He graduated from the University of Kansas (BA), London School of Economics (MSc. Econ), and Boston College (JD) and has received a number of academic awards.

Ronald Scheman

PAO Program™

Antarctica PAO Partners, LLC

Ronald Scheman has a distinguished career in international finance, trade and development issues spanning both the private and public sectors. He was the United States Executive Director of the Inter-American Development Bank. Mr. Scheman spearheaded the bank's efforts to raise its capital base from \$60 to \$101 billion. Mr. Scheman was elected Director General of the Inter-American Agency for Cooperation and Development, the technical cooperation agency of the Organization of American States. While Director General, Mr. Scheman was instrumental in creating new forms of private-public sector partnerships that helped promote the development of the Americas and strengthen its infrastructure.

As the Founder and first Executive Director of the Pan American Development Foundation, Mr. Scheman pioneered the concept of micro-enterprise loans and contributed to creating new patterns of financial and technical assistance to micro-enterprises and low-income communities. During the Nixon Administration, he was selected by the President to lead humanitarian programs for relief of the former USSR; under Mr. Scheman's leadership, over \$270 million in aid was sent to Russia, all from private citizens.

Mr. Scheman also chaired the International Finance Practice of the law firm Greenberg Traurig, and most recently he was Senior Advisor to Kissinger McLarty Associates and served as Board Chairman of IMallsGlobal, Inc. He also served on the Board of Directors of the Charles E. Smith Company, a leading real estate firm, which merged its multi-family properties with Archstone-Smith on the NYSE, and its commercial properties with Vornado.

Mr. Scheman has authored 4 books. His articles on inter-American affairs have appeared in numerous publications and journals. Mr. Scheman is a graduate of Dartmouth College (B.A.) and Yale Law School (J.D.) and is fluent in Spanish and Portuguese.

Paul Hendricks

Water Asset Optimization

Antarctica PAO Partners, LLC

Mr. Hendricks has decades of experience in public water and wastewater system operations and infrastructure design, dating back to 1970. His experience includes facility operation and maintenance, computerized process control and optimization, infrastructure inspections, development of sludge management and disposal plans, staffing development and training, utility rate studies, water and wastewater master planning, infrastructure compliance reviews, operations and sustainability assessments, along with capital replacement and operational budgeting. Mr. Hendricks was the Superintendent of the Water & Wastewater Department for the City of Phoenix where he had responsibility for multiple treatment facilities with capacities in excess of 190,000,000 gallons per day. As Director of Public Works for the City of Mount Clemens, Mr. Hendricks was responsible for a major advanced surface water treatment facility that provided potable water to an Air Force base, two townships, and the City of Mount Clemens. In addition Mr. Hendricks was the project manager for a 50,000,000 gallons combined sewer overflow treatment facility and associated wastewater facility of grades. Mr. Hendricks has developed operation and maintenance budgets which have a value in excess of \$25,000,000. He has made numerous presentations to elected councils and commissions. Mr. Hendricks was the cities representative for seven separate bargaining union groups. He was a key representative of the city during numerous contract negotiations with the union bargaining groups. Mr. Hendricks was involved in major planning and the implementation programs for energy conservation and recovery projects. He has developed and established personnel safety programs designed to enhance morale and effectiveness throughout the operating unit. While at the city of Phoenix he established a training center for the operating divisions. He has been involved in the development of 50 year water resource plans and the implementation of long-term computer master plans. He has implemented computerized meter reading systems and developed a computerized water rate model utility system. During his career he has coordinated numerous federal grant projects that provide new utility facilities which include digester gas utilization and commercial delivery of refined methane. He has established industrial waste control programs and administered industrial pretreatment control programs.

As a consultant for EUSI, he performed intergovernmental consulting and utility advisory services that include Program Management of in excess of \$120,000,000 in capital water and wastewater infrastructure upgrades and improvements. The city of Fort Collins retained Mr. Hendricks to review their water and wastewater utility operations. Mr. Hendricks interviewed staff, reviewed organizational structures, budgets, capital improvement plans, and evaluated the current use of human resources, equipment, and facilities compared to the strategic plan and objectives of the utility department for the city of Fort Collins. Mr. Hendricks provided a verbal and written summary of observations along with recommendations for improvements that could be implemented by the city. Many of the recommendations made in this report have already been implemented.

Mr. Hendricks was retained by the State of Arizona to lead a major task force that investigated a large-scale pollution incident at Lake Havasu City, Arizona. Mr. Hendricks conducted numerous community meetings and coordinated the task force which was made up of multi-jurisdictional agencies, which identified numerous sources of pollution that were later remedied. Mr. Hendricks served as an expert witness on numerous water and infrastructure issues. Mr. Hendricks has provided program management services for groundwater remediation projects that restore contaminated groundwater to potable drinking water standards for municipal and industrial uses. He has set up state licensed environmental compliance laboratories. Mr. Hendricks has also provided consulting for U.S.A.I.D. in Eastern Europe on environmental program development and infrastructure improvements.

Mr. Hendricks served on the City of Phoenix, City Manager's Innovation Team and the Arizona Director for the Water Environment Federation, and was elected to the Board of Directors for the Central Arizona Water Conservation District. As a Director, Mr. Hendricks had policy setting responsibilities for the district that delivers Colorado river water to several million people in central Arizona. He has served on the Board of Directors for the Grosse Pointe-Clinton Refuse Authority, was the past President of both the Arizona Water and Pollution Control Association and the Arizona Water Environment Federation, and was the Chairman of the Arizona Section of the American Water Works Association. Mr. Hendricks is the recipient of the Hatfield and Bedell awards, as well as the State of Arizona Operator of the Year for Large Treatment Facilities. Mr. Hendricks currently holds the highest level of operator certification in the State of Arizona and has previously held the highest level of operator certification in the State of Michigan.

H. Martin Jesson

Water Asset Optimization

Antarctica PAO Partners, LLC

Mr. Jessen has over 35 years of experience in for profit, non-profit, and governmental agency management, with a focus on water systems. He was the President and CEO of AquaCare, a publicly traded water company, and has managed operating divisions and directed the marketing efforts for several major water industry corporations, including Pionetics Corporation, Rayne Water, and USFilter Corporation. Mr. Jessens held several senior positions with USFilter and represented the company in the historic water transfer from the Imperial Irrigation District to the San Diego County Water Authority, which included extensive contact with water districts and managers throughout California.

Mr. Jessen is the Chairman of the Water Quality Association Government Relations Committee, President of the Pacific Water Quality Association, and a board member of the following: Water Quality Association, Arizona Water Quality Association, Florida Water Management Institute, and the Phoenix Parks & Conservation Foundation. He was a City Councilman in Minnesota and has undertaken three gubernatorial appointments in California and Minnesota. He has a Masters in Parks, Recreation and Natural Resource Management with an emphasis on Public Administration and a B.S. in Parks, Recreation and Natural Resource Management from the University of Minnesota.

Baseline Engineering Corporation is serving as an internal advisor to Antarctica.



Baseline Engineering Corporation serves as an internal advisor to Antarctica. Baseline was founded in 1998. Located in Golden, Colorado, the firm has grown to become one of the leading planning and engineering firms in the Inter-Mountain West. The firm started out specializing in traditional civil engineering services for new infrastructure and land use planning in a growing region. Since then, Baseline has been on a steady growth path while maintaining expertise in land planning, sustainable water and wastewater treatment, public works projects, transportation, utilities, residential, large facility site design, land surveying and permitting at all levels. For 12 years, the company has pioneered new ways of treating water and wastewater, provided excellence in land planning and engineering while setting a standard for customer service.

Comparable Projects:

Drainage & Flood Plain Design - Engineering Past Project Experience					
Project	Client	Contact Info	Dates of Service	Total Project Costs	Project Role
Lena Gulch CLOMR & LOMR	National Renewable Energy Lab (NREL)	Mr. J.A. (Drew) Detamore Director, Major Construction Planning National Renewable Energy Lab (NREL) 1617 Cole Blvd. Golden, CO 80401 Drew.Detamore@nrel.gov Ph: 303-275-4276	March 2010 to present	\$1,500,000 (improvements related to new bridge, riprap, etc.)	PM, hydrologic & hydraulic analysis & modelling, CLOMR & LOMR report, cost estimate, permitting through Urban Drainage & FEMA
Pleasant View Tributary CLOMR & LOMR	National Renewable Energy Lab (NREL)	Mr. J.A. (Drew) Detamore Director, Major Construction Planning National Renewable Energy Lab (NREL) 1617 Cole Blvd. Golden, CO 80401 Drew.Detamore@nrel.gov Ph: 303-275-4276	March 2010 to present	\$750,000 (improvements related to new box culverts, channel improvements,, riprap, etc.)	PM, hydrologic & hydraulic analysis & modelling, CLOMR & LOMR report, cost estimate, permitting through Urban Drainage & FEMA
Fish Creek LOMR	Pines at Ore House Plaza HOA	Mr. Brad Luth, HOA President 2130 Resort Drive, Suite 200 Steamboat Springs, CO 80487 brad@coloradoskihome.com 303-909-5563	October 2011 to present	\$10,000 (no improvements with this project, just correcting floodplain error)	hydrologic & hydraulic analysis & modelling, LOMR report, permitting through FEMA
Alvarado Road Bridge	Clear Creek County	Mr. Tim Allen, Road & Bridge Supervisor 3549 County Rd 312 Dumont, CO 80436 tallen@co.clear-creek.co.us 303-679-2317	January 2008 to August 2010	\$2,100,000	PM, hydrologic & hydraulic analysis & modelling for new bridge, Floodplain Analysis Report, cost estimate
Idaho Creek	Eric Dunker	Eric W. Dunker, P.E. 303-903-4043	April 2012 to present	\$300,000	Peer review of hydrologic and hydraulic models for floodplain and floodway analysis

Eric J. Dole, P.E.

Water & Wastewater Consultant to Antarctica

Mr. Dole is Baseline Engineering Corp's Water/Wastewater Division Manager with over 10 years of experience in large scale project design and staff management. Mr. Dole brings his sustainable engineering practices to each design project in an effort to reduce the project's overall carbon footprint, reduce operating costs and improve the reliability of the equipment. Mr. Dole developed a niche market in the energy audit sector that focuses on making existing water/wastewater infrastructure operate more efficiently by identifying shortcomings in hydraulic models, pump and blower systems, and installing micro-turbines to recover "wasted" energy in pressurized pipe networks.

Mr. Dole's expertise includes the following:

- Pump efficiency energy audits
- Blower efficiency energy audits

- Hydraulic energy recovery with micro-turbines
- Master planning
- Hydraulic modeling
- Pipeline design
- Pump station design
- Water/wastewater treatment plant design
- Project management
- Construction Services

Relevant project experience:

- **AZ Department of Environmental Quality (ADEQ) Pump Training Workshops, Phoenix, AZ.** Mr. Dole developed a Pump System Optimization Service (SOS) Workshop aimed to educate water/wastewater professionals about the importance of energy audits on major equipment such as, pumps, blowers and micro-turbines. The workshop was offered quarterly at ADEQ for operators across the state, and was accredited for professional development hours through ADEQ. Topics covered in the workshop are Pump System Cost Savings Examples, Pump Design 101, Symptoms of Inefficient Pumping & Wastewater Aeration Systems, Wire-to-Water Efficiency Studies, Wire-to-Air Efficiency Studies, System Energy Recovery with Micro-turbines, APS Solutions for Business Incentive Money and Field Assessment of Pump/Blower Systems.
- **Arizona Public Service (APS) Pump/Blower Tester, Phoenix, AZ.** Mr. Dole's status as a certified trade ally allowed him to perform several wire-to-water efficiency tests under the Arizona Public Service (APS) Solutions for Business Program on water/wastewater utilities throughout AZ, and perform APS' first ever wire-to-air efficiency test on the City of Goodyear 157th Ave WWTP blowers. To date Mr. Dole identified over 625,000 kWh per year in pump efficiency savings and 500,000 kWh per year in blower efficiency savings.
- **Salt River Project (SRP) Pump Tester, Tempe, AZ.** Mr. Dole performed several wire-to-water efficiency tests as an SRP qualified service provider for several pump systems in the east valley, specifically the Town of Gilbert's Site 7 water production, storage and distribution site. Results of the testing revealed over 230,000 kWh/yr in consumption savings, resulting in \$24,000 per year in electrical cost reduction. This coupled with the \$34,000 of SRP rebate money resulted in less a 4 year payback for upgrades needed to make the pumps operate more efficiently.
- **Valencia Water Company Hydraulic Model Program Manager, Buckeye, AZ.** Mr. Dole was the program manager representing the Valencia Water Company on the hydraulic model performed by an outside consultant. During the course of the study Mr. Dole provided QA/QC on all deliverables presented to his client. Mr. Dole found several issues with the consultant's deliverables that were inaccurate and would have led to costly issues if not addressed in the hydraulic model. The consultant never: 1) conducted field calibration test to validate the accuracy of the model; 2) had incorrect pump data for the two of the four booster pump stations; 3) did not include several major trunk lines, and a future residential community earmarked to break ground within the next year.

- Town of Gilbert San Tan Vista WTP Micro-turbine, Gilbert, AZ.** After giving the Pump SOS Workshop to the Town of Gilbert Water Department, Mr. Dole was informed there was a 48" flow control valve (FCV) at the headworks of the 20-MGD surface water treatment plant where he was giving the workshop. After the workshop, Mr. Dole visited the FCVs and determined approximately 350-kW to 400-kW could be generated from the replacement of the existing flow control valve with a micro-turbine, while saving over \$250,000 per year in electrical costs. Mr. Dole has given several subsequent presentations to the Town Water Department and their Environmental Sub-committee in order to educate them on the opportunity to recover significant energy. The Town of Gilbert DPW asked if he could use Mr. Dole's presentation at the 2011 Global Water Summit in Germany to show the attendees what the Town intends on doing to become a more sustainable community. The Town has earmarked this project for FY 2013.
- Pump Optimization Software Development Partnership, Phoenix, AZ.** Mr. Dole was the head project manager for Global Water Resources' (GWR) Economy and Efficiency Study that included a software development partnership with Bentley Systems. The purpose of the partnership was to develop hydraulic modeling software that utilizes GWR's GIS database and automatic meter read data for each customer to develop the most energy efficient pump scheduling program, based on the results of the calibrated hydraulic model.
- Developer Funded Project Flowchart, Phoenix, AZ.** Mr. Dole developed a detailed work process flow chart that was used to streamline the delivery of developer funded infrastructure projects for Global Water Resources. The flowchart detailed responsible parties and work flow process. It also described the internal review process of developer funded projects with respect to if there is sufficient infrastructure to support the development by incorporating a WaterCAD hydraulic analysis. Results of the hydraulic analysis was used to identify if the developer would need to provide, not only properly sized pipe networks, but if more storage, distribution pumping or supply is needed to accommodate their development. Mr. Dole used the functionality of WaterCAD as a tool in the review process to prompt negotiations between GWR and Bentley that ultimately led to the Pump Optimization Software Development Partnership.
- Agua Fria Water System Modeling Project, Phoenix, AZ.** Mr. Dole developed the WaterCAD model of Arizona-American Water Company's Agua Fria Masterplan, which covered over 50 square miles. The model incorporated data from existing Sun City pipe networks, city planner's land use plan, historical water usage, and population projections. Diurnal demands were allocated to various areas in the model and an extended period simulations were ran to see the dynamics of the model. Average-day, max-day plus peak hour and average-day plus fire flow scenarios were ran to troubleshoot areas of the system that did not meet the model constraints. Simulation results were used to size and locate lines, tanks, pump stations and zone splits.
- Sonoran Vista Booster Pump Station Upgrades, Buckeye, AZ.** Mr. Dole designed replacement booster pumps for the Sonoran Vista BPS, before the summer demands approached, with lower head, higher flow, equivalent horsepower and more efficient pumps. Mr. Dole not only designed the replacement pumps, but also drafted the control description for the 3, 40-HP constant speed and 1, 150-HP VFD pump that allowed the pumps to operate in their best efficiency range and provide a consistent pressure range for flows between 500-gpm and 3,500-gpm.
- 4th and Central Well/Booster Pump Station Upgrades, Buckeye, AZ.** Mr. Dole designed site upgrades including a 400-gpm well pump, arsenic treatment, disinfection and the addition of an 800-gpm firm capacity

booster pump station for GWR's Valencia Water Company. Mr. Dole designed an aquifer level monitoring system in the well pump design. It consisted of a level logger installed in the annular space between the riser pipe and the casing wall that recorded the static and pumping water level. It synchronized with the site PLC to monitor, and trend, the specific capacity and aquifer recovery time in an effort to monitor the wire to water efficiency of the well pump. The booster pump station had similar wire to water efficiency trending capability.

- **157th Ave WWTP Blower Efficiency Study and Redesign, Goodyear, AZ.** Mr. Dole developed this project as a result of a Pump SOS Workshop he gave for the City of Goodyear. After identifying the poor wire-to-air efficiency of the multi-stage centrifugal blower system through field tests funded by Arizona Public Service (APS) blower test money, Mr. Dole proposed an energy efficient redesign of the existing system. Some components of the redesign ranged from control description modifications by slaving the speed of the new blower with the dissolved oxygen profile in the aeration basin to installing a new, much more efficient turbo blower.
- **Town of Gilbert Site 7 Pump Efficiency Study, Gilbert, AZ.** This project was a direct result of the Pump SOS Workshop Mr. Dole gave to the Town of Gilbert Water Department. Wire-to-water efficiency tests were performed on the 200-HP vertical turbine well pump and four horizontal split case pumps; one 40-HP and three 75 HP pumps. Wire-to-water efficiencies ranged between 36% and 60% on all the pumps. Significant annual kWh reductions were identified by increasing the existing wire-to-water efficiencies to 75% by installing more efficient pumps, performing well casing rehabilitation and booster pump station pipe upgrades.
- **Waste Heat Thermal Dewatering System, Golden, CO.** Mr. Dole developed a green method of dewatering municipal wastewater sludges that utilizes solar thermal technology and traditional dryer systems. The dewatering treatment train can take as low as 3% anaerobically digested sludges up to 92% Class A solids, and used less electricity than the existing centrifuges that only dewatered the solids to 10% to 30% solids. EPA recognizes the dryer system as a Process to Further Reduce Pathogens (PFRP). The dewatered solids have a re-sale market. Mr. Dole turned a significant operation expense into to a revenue source while bringing much needed "green" PR municipalities
- **Palo Verde WRF Effluent Pump Efficiency Analysis, Maricopa, AZ.** Mr. Dole performed an effluent pump efficiency analysis for Global Water Resources Palo Verde WRF where he modeled the reclaimed water system in WaterCAD to verify the existing pumps and pipe network was properly sized. Results of the model revealed efficiencies greater than 70% and industry tolerable pipe network headloss. Subsequent field wire-to-water tests revealed significantly lower efficiencies. Mr. Dole performed field trouble shooting techniques that revealed there were no air release valves before and after 7 canal crossings in the effluent delivery network; the system was "air locked". Air release valves were installed and pump impellers were replaced resulting in an 11 month payback for the utility.
- **Zero Liquid Discharge for Centralized Water Softening Regeneration, Phoenix, AZ.** Mr. Dole was the lead project manager and provided research and development related engineering services for Rayne Water Softening Company's ZLD Project in an effort to conserve water and eliminate the high salinity, high hardness spent brine discharge to the sewer. Mr. Dole developed a R&D partnership between the University of Arizona, and HES to perform bench scale testing that ultimately resulted in the development of a zero liquid

discharge process for Rayne's Centralized Regen Facility. Mr. Dole modified the flow through pilot process train to a full scale batch system for 75% of the cost. The system was designed and constructed in four months and has been operational since March 2010. The ZLD system recycles 93% of the water, achieves 98% salt reduction, produces a higher quality brine leading to 25% more resin capacity than published by manufacturer and produces a solid by-product that can be used in cement and whitening agents. This project was featured in the March 2010 issue of the Phoenix Business Journal and won the AZ Water Association 2011 Water Reuse Project of the Year Award.

- **Arrowhead Shores Flow Metering Upgrades, Peoria, AZ.** Mr. Dole designed flow metering upgrades to the City of Peoria Arrowhead Shores Booster Pump Station and Reservoir. The installation of a re-purposed, bi-directional magnetic flow meter allowed accurate monitoring of instantaneous and total flow in and out of the site. An existing on-site altitude valve was also re-purposed and relocated to allow either reservoir to be filled from the distribution system through the booster pump station suction header. Prior to the upgrades there was no means of measuring flow, and only one of the reservoirs could be filled with the altitude valve. Being able split the fill flow equally between both reservoirs resulted in better mixing and subsequent water quality. Re-purposing the altitude valve and magnetic flow meter saved the City of Peoria 15% on construction costs.
- **Emergency Pump Design for Rancho Mirage Well, Maricopa, AZ.** In May 2008, Global Water Resources's Santa Cruz Water Utility had a catastrophic failure of their 2,600-gpm Rancho Mirage Well. The well was the sole clean water blending source needed to be compliant at the utility's POE. Within two days Mr. Dole determined that the source of the well failure was because of the improper pump design and he designed a replacement 1,500-gpm well pump. As of October 2008, the pump has not turned off and continues to deliver 1,550-gpm of much needed potable water.
- **Rancho Mirage Well Pump Flow Control Automation, Peoria, AZ.** Mr. Dole was the project manager for the design and permitting of a flow control system that allowed automated flow splitting between the on-site Rancho Mirage Reservoir and the offsite Rancho El Dorado Reservoir. A preset portion of the potable flow was needed to maintain compliant water at the RED reservoir, while any supplemental water went to RM. The automated flow control system was set to maintain the proper flow splits, while ensuring that the net flow from the well pump stays within the best efficiency range. Mr. Dole drafted the detailed control description necessary to make the system operate properly.
- **Airline Arsenic Treatment Facility, Goodyear, AZ.** Mr. Dole, in association with Severn Trent Services, designed a 2 MGD Adsorptive Arsenic Treatment Facility (ATF) for Litchfield Park Service Company (LPSCO). The facility was designed, permitted and built in 6 months. The installation provided much needed capacity just before the summer months.
- **LPSCO Potable Water Interconnect, Goodyear, AZ.** During the summer of 2006, Mr. Dole designed a 3.0 MGD potable water interconnect between the City of Goodyear and LPSCO. This interconnect manifold at the Canyon Trails Reservoir / Booster Pump Station is also where the 10 MGD Adaman water line will connect to the City of Goodyear. The system utilized an existing 36" drainage culvert under the I-10 as a sleeve to route the piping as an interim means to deliver the LPSCO water to the City of Goodyear. Time consuming Arizona Department of Transportation (ADOT) right of way permits were avoided. Both ADOT and the Maricopa County of Environmental Services approved the project. The project was designed, constructed,

permitted and operational in two months. The chlorination system was also upgraded in this project so as to improve the residual in the system.

- **Well Site No.2 Design, Buckeye, AZ.** Mr. Dole designed the 250-HP vertical turbine well pump for the Lyle Anderson Development Company. This well provided the redundant production capacity for the development so that building could begin. Mr. Dole was able to avoid treatment by suggesting that spinner logs and depth specific water quality sampling be performed to determine the areas of the aquifer with the highest yields and best water quality. Results of the study saved the client significant capital and O&M costs since treatment was avoided.
- **Adaman Arsenic Treatment Feasibility Study, Goodyear, AZ.** Mr. Dole performed an arsenic treatment feasibility study for the City of Goodyear and Adaman Water Company. The study analyzed the water quality and hydraulics of the production wells in an effort to determine the best available treatment technology, including a capital cost and operations/maintenance cost evaluation. Value engineering was used to select a site for the treatment system. Mr. Dole became familiar with the Adaman production and distribution system during the course of the study.
- **Reservoir 12 Distribution Fill Line, Goodyear, AZ.** During the summer of 2006, Mr. Dole designed, permitted and provided construction oversight for a reservoir fill line for City of Goodyear Site 12 that allows the reservoir to fill off of the distribution system at preset flows while maintaining the required backpressure. The fill line was also an integral part of the reverse osmosis treatment system that was designed as a part of this project. The distribution water was used to blend the aggressive reverse osmosis permeate. The City of Goodyear is now standardizing all of their reservoirs around this fill system.
- **Well Cost Analysis Tool, Goodyear, AZ.** Mr. Dole developed a potable water source cost analysis tool for the City of Goodyear utility managers. It used historical data to reveal the cost per thousand gallons of water versus the percentage of total production, so they can determine if they are allocating their capital efficiently. The tool revealed the City was spending too much money on treatment for lower producing wells.
- **Well 18B Arsenic Treatment, Goodyear, AZ.** Mr. Dole was the project manager for the City of Goodyear Well 18B Arsenic Treatment Facility (ATF) Project. Early in the design process he determined the well pump modification proposed by the engineering firm was insufficient, because they used the pumping water level of an adjacent well that was screened differently. This resulted in a well pump that would deliver 30% less water than anticipated. Mr. Dole ordered a pump test of the well and used the results to model the correct pump. The pump was replaced and the electrical service was upgraded before the construction of the ATF so as to avoid costly scheduling delays. He also developed a blending spreadsheet for the City that allowed ATF to be operated so the media life can be substantially prolonged by modifying treated water and bypass water flow splits.
- **Sarival Lift Station, Goodyear, AZ.** Mr. Dole determined that the pumps designed by an outside engineering firm were grossly oversized and would cavitate if not temporarily throttled back with the discharge valve. As a more permanent means to fix the problem, he performed a hydraulic analysis, and identified that a more efficient, lower horsepower pump station.
- **Palm Valley WWTP Effluent Pump Study, Goodyear, AZ.** Mr. Dole developed an extended period simulation hydraulic model utilizing WaterCAD to determine the most energy efficient location to discharge the

treated wastewater out of the nine possible locations. Results of the study were implemented by operation staff and immediate cost savings was noticed.

- **Palm Valley WWTP Waste Activated Sludge Line Improvements, Goodyear, AZ.** Mr. Dole enhanced the wasting capabilities of the plant by automating the sludge wasting valves out of each SBR, upsized the suction line to the pump for better performance and retrofitted the drop legs into each basin to promote better sludge selection from the bottom of the tank. During this project, Mr. Dole coordinated construction activities so as not to impede with daily plant operation.
- **Gold Canyon WWTP Inflow and Infiltration, Gold Canyon, AZ.** It was determined that a major contributor to the I&I in the collection system was the 8-inch gravity line in the bottom of the golf course wash. Mr. Dole investigated a pipe bursting technology that could be used to increase the pipe size to 12-inches without excavating in the wash, thereby saving time and money. In addition, he engineered a way to install 12-inch tees at each manhole location with an air/vacuum valve that is tapped in the top of the cleanout. This enabled air to enter and leave the gravity system, and also serve as an entry point for pipe maintenance. The annular space between the 12-inch riser and the existing manhole was slurried to the top.
- **Woodmark WWTP Expansion, Tyler, TX.** Mr. Dole was tasked to troubleshoot the capacity issues at the Woodmark WWTP located in Texas. Operations staff was concerned with the high flows and lack of capacity. Upon visiting the site, Mr. Dole noticed that the ultrasonic level sensor in the effluent Parshall Flume was “cross-talking” with another ultrasonic level sensor placed next to it. Once one of the sensors was removed and the remaining sensor was placed concentrically in the flume, the readings coincided with the staff gauge. This discovery afforded AWS the time to postpone an expensive, non-budgeted and unnecessary expansion until further warranted.
- **91st Ave. WWTP UP01 Upgrade and Expansion Construction Services, Phoenix, AZ.** Mr. Dole has been providing construction services at City of Phoenix 91st Ave. WWTP since October 2003. Responsibilities include construction inspection of the \$10 million blower building, submittal review and constructability review of the contract drawings. He has found scheduling conflicts where the contractor began placing rebar at several locations before essential utilities were installed beneath the foundation. Mr. Dole has identified multiple discrepancies (yard piping and structural conflicts) in the drawings that were brought to the lead engineering firm’s attention before the contractor had begun construction thereby avoiding potential change orders.
- **Goodyear Wellhead Treatment Project, Goodyear, AZ.** In late Spring 2003, one of Goodyear’s higher producing wells was shut down due to high TCE hits. This forced the city to utilize other wells that had high nitrate, fluoride and arsenic concentrations in times of high demand and low supply. Mr. Dole designed wellhead modifications, including re-piping, pump and electrical upgrades, to accommodate a mobile ion exchange treatment trailer and two reverse osmosis treatment trailers for three city wells. He supervised the construction of the wellhead modifications and assisted in the commissioning of the treatment units. All three systems were designed, constructed and granted County Approval of Construction within a three month period.
- **Avondale Wellhead Treatment Project, Avondale, AZ.** In the Summer 2003, one of Avondale’s key wells was shut down due to high nitrate hits. This forced the city to utilize ion exchange treatment in times when their distribution system was already stressed. Mr. Dole designed wellhead modifications, including re-

pipings, pump and electrical upgrades, to accommodate a mobile ion exchange treatment trailer. He also supervised the construction of the wellhead modifications and assisted in the commissioning of the treatment unit. The ion exchange system was designed, constructed and granted County Approval of Construction within a one month period, and occurred concurrently with City of Goodyear Wellhead Treatment Project.

- **Arsenic Removal Pilot Testing, Phoenix, AZ.** Mr. Dole designed the DSWA Arsenic Removal Pilot Plant and provided construction oversight. He also provided preliminary site layout design to connect the pilot plant to the City of Mesa's Falcon Field Well #4. Mr. Dole developed commissioning/decommissioning plans, start-up plans, sampling plans, O&M plans, and site safety plans. Mr. Dole was responsible for training the City of Mesa operators how to operate the pilot plant. He provided engineering assessments on the pilot trailer performance throughout the study. Results of the study were used to design the 2 mgd full scale wellhead treatment facility.
- **Arsenic Removal Pilot Plant, Phoenix, AZ.** Mr. Dole designed, constructed and operated a 10-gpm arsenic removal pilot plant at a City of Phoenix well site. His responsibilities ranged from coordinating construction dates for the test building to designing the pipe layout and installing the pipes, pumps and electrical controls necessary for plant operation. Mr. Dole operated the pilot plant on a weekly basis to assure proper operation. Data obtained from this study was used to determine the best adsorptive media that removes arsenic in the groundwater.
- **Arsenic Removal Bench Scale Study, Phoenix, AZ.** Mr. Dole designed, constructed and operated a 360 ml/min arsenic removal bench scale facility that simultaneously tested up to 4 different media in an effort to determine the best available arsenic removal technology for the City of Phoenix. He presented the results of this study in a paper entitled, Bench Scale Arsenic Removal Test for the City of Phoenix, at the Arizona Water and Pollution Control Association (AWPCA) Annual Conference in May 2000. His data collection and evaluation of the bench scale system led to design, build and operation of a 10-gpm pilot facility, which compared four of the most effective media.
- **Anthem Water Resources Master Plan, Anthem, AZ.** Mr. Dole performed a preliminary study Arizona American Water Company to determine the best available treatment technology for arsenic contaminated wells. Options included blending and treating wells at the water campus with the addition of coagulant to the microfiltration process, drilling a new well to replace the contaminated one and treating the arsenic with adsorptive media filtration at the wellhead.

Joel L. Wade

Engineering Consultant to Antarctica

Mr. Wade is the owner of JLW Consulting, a contract operations consulting firm with Baseline Engineering Corp. His experience in the design, development, operation and management of advanced water and wastewater treatment technologies spans over 25 years, including 10 years in privatization and contract operations. His diverse background as facility manager, designer and technical consultant has led to the successful start-up and procurement of nine treatment facilities, ranging from 0.250 to 180 MGD. He has also provided consulting services for numerous individual facilities, including project engineering, planning and investigation, civil design, technical research, development and efficiency evaluation. Mr. Wade was instrumental in the construction and start-up of the first wastewater membrane treatment facility in the state of Arizona. Recent projects include design and construction of two chlorine diox-

ide generators, 3.1 MGD Sequential Batch Reactor (SBR) facility upgrade and process improvements (Maricopa, AZ), design, construction and start-up of a 5.2 MGD arsenic treatment facility and associated well (Litchfield Park AZ, 3/05); an arsenic and fluoride removal system (Tonopah AZ, 4/07); an iron and manganese removal system (Mohave Valley AZ, 10/07) simultaneous start-up of two 0.500 MGD reverse osmosis wellhead treatment units and one 0.650 MGD and ion exchange resin wellhead treatment unit for arsenic, fluoride and nitrate removal (City of Goodyear AZ, 6/03). Along with design and construction management responsibilities, duties include development of process control strategies, emergency response plans, power and chemical optimization programs, which have netted substantial cost savings while minimizing regulatory compliance infractions.

Professional Registrations:

- Licensed Classes 1, 2, 3, 4 Wastewater Operator (IL)
- Licensed Classes A, B, C, D Water Operator (IL)
- Licensed Class 4 Wastewater Collection (AZ)
- Licensed Class 4 Water Distribution (AZ)
- Licensed Class 4 Wastewater Treatment (AZ)
- Licensed Class 4 Water Treatment (AZ)

Organizations and Additional Training:

- Rapport Leadership Academy
- American Society of Civil Engineers (ASCE)
- American Water Works Association (AWWA)
- American Membrane Technology Association (AMTA)
- Southwest Membrane Association
- Water Environment Federation (WEF)
- Arizona Water Pollution Control Association (AWPCA)

Awards:

- Global Water – Outstanding Achievement Award -2011
- Santa Cruz Water Company – Distribution System of the Year – 2010 (Small Systems)
- Palo Verde Utilities Company –Collection System of the Year – 2010 (Small Systems)
- Palo Verde Utilities Company – Wastewater Treatment Plant of the Year – 2010
- Global Water – Outstanding Achievement Award - 2007
- City of Goodyear – Stellar Performance Award - 2003
- Arizona Water and Pollution Control Association - Wastewater Systems Operator of the Year – 1999
- HDR Engineering – Design Excellence Award – Deem Hills Reservoir - 1994

Highlighted Engineering Projects:

- **Project Engineer for Lake Havasu City Water Master Plan, Lake Havasu City, AZ.** Prepared comprehensive plan for all water resources involving water and treated wastewater within Lake Havasu City. Plan addressed surface waters and wastewater reuse. Study objective was to maximize water resources available with minimal environmental, political and physical impacts. Hydraulic computer modeling of 7,000 pipe distribution system using Cybernet Water System Network was essential component.
- **Project Engineer for City's Deem Hills 15 MGD Reservoir, Phoenix, AZ.** Included preparation of design memorandum and design of 15 MGD sub-grade reservoir and chlorine feed and recirculation systems.
- **Project Engineer for City's Chlorination Facilities, Phoenix, AZ.** Included analysis and design of chlorination and recirculation systems for 20 separate reservoir systems ranging from 20,000 gallon to 10.0 MGD. Included study and analysis of water quality, preparation of design memorandum and equipment specifications and design of individual facilities.
- **Project Engineer for City's of Verde Water Treatment Plant and Solids Handling Facilities, Phoenix, AZ.** Included upgrade design of entire Verde Water Treatment Plant, increasing capacity from 30 to 60 MGD. Design included various modifications of rapid mix, flocculation, sedimentation and filtration systems. Various chemical feed systems were employed including alum, chlorine, hydrofluosilicic acid, sulfuric acid and sodium hydroxide. Work for solids handling facilities included design of gravity thickeners, plate settlers, solar drying beds and dredge solids holding basins and modifications to existing pre-sedimentation basin.
- **Anthem Water Campus and Cave Creek WRF, Phoenix, AZ.** Project Management and Construction Inspection for the 1.0 MGD microfiltration water system, 0.5 MGD micro-filtration wastewater system and 1.0 MGD irrigation system. Projects included simultaneous start-up of 0.250 contact stabilization wastewater plant, start-up of 1.0 MGD micro-filtration (membrane) water plant, 0.5 MGD micro-filtration (membrane) wastewater plant and 3.0 MGD 100% reuse and recharge system.
- **5.2 MGD Arsenic Treatment Facility, Litchfield Park, AZ.** Project Management and Construction Inspection for an absorption process coupled with pH control and utilized carbon dioxide feed in lieu of costly acid addition. Project optimized arsenic treatment resulting in up to 5.2 MGD of treatment at annualized O&M cost of \$228,000 or less \$0.013 per 1000 gallons.
- **Global Water Center Pressurized Recycled Water System, Maricopa, AZ.** Project Engineering and Construction Manager for the Global Water Center Pressurized Recycled Water Demonstration System. The Global Water Center is the first in Pinal County to utilize recycled water to flush facility toilets. This demonstration system monitors water quality parameters related to the waters aesthetic, including conductivity, pH, ORP and turbidity. It also provides the system pressure for the Global Water Center building. The demonstration project documents the positive benefits and provides additional education and study opportunities on advanced recycled water use principals.
- **Palo Verde Water Reclamation Facility and Recycled Water System, Maricopa, AZ.** Re-engineered and optimized critical process systems to improve reliability and reduce facility operating costs of this 3.0 MGD

SBR Process. Improvements include modification and/or updating headworks screening, aeration systems, filtration systems and process control systems - completed 11/10.

- **Willow Valley Water Company TTHM and Corrosion Control Project, Mohave Valley, AZ.** Plagued with numerous water quality and compliance infractions including color, TTHM and copper corrosion, this water system under the influences of the Colorado River, utilized a combination of oxidants including chlorine dioxide and sodium permanganate along with polyphosphate feed systems which led to the reduction of iron and manganese by 95%, TOC reduction of 11%, TTHM reduction of 53% and Copper Corrosion reduction greater than 90%, placing this utility back into full regulatory compliance. Improvements include two onsite chlorine dioxide generators, sodium permanganate feed and polyphosphate feed systems, static mixers and ancillary electrical improvements and controls. Directly responsible for the complete design, construction and start-up of facilities. Systems completed 11/11.

BANK OF AMERICA MERRILL LYNCH



Bank of America Corporation and its affiliates provide a full range of banking, investment, asset management, and other financial and risk management products and services. The heritage of

Bank of America and its legacy institutions can be traced back nearly as far as the nation's founding. For over 100 years, Bank of America has helped create opportunity and fuel economic growth by investing in the people, neighborhoods, institutions, and industries that have built and advanced America.

Bank of America acquired Merrill Lynch & Co. in a merger that closed on January 1, 2009. With the consummation of the merger, Merrill Lynch became an indirect wholly-owned subsidiary of Bank of America, operating under the broker-dealer Merrill Lynch, Pierce, Fenner and Smith, Incorporated ("Merrill Lynch"), and the branding name Bank of America Merrill Lynch ("BofAML"). Merrill Lynch was incorporated in Delaware in 1958 and has been a municipal broker-dealer for more than 50 years.

The combination of the two firms resulted in: i) one of the largest brokerage houses in the world, with over 15,000 financial advisors and \$2.2 trillion in client assets, ii) a leading provider of global corporate and investment banking services, iii) a global leader in wealth management, private banking and retail brokerage, and iv) a global leader in investment management. Furthermore, the merger resulted in the consolidation of the municipal markets groups of both Merrill Lynch and the former Banc of America Securities, creating a leading franchise with top talent from a public finance, underwriting, and sales and trading perspective, as well as access to the full resources of the Bank.

Municipal Markets Group: The Municipal Markets Group ("MMG") assists state and local governments and their agencies, educational and healthcare institutions, non-profits and other entities in the structuring, underwriting and distribution of tax-exempt and taxable bonds and notes. The MMG also provides a secondary market for these securities and develops and markets various financial products. The MMG employs 269 professionals consisting of 193 principals (Managing Director, Directors and Vice Presidents) and 76 associates (Associates, Analysts, and Administrative Assistants) which includes 149 Public Finance bankers. To meet client needs most effectively, the MMG organizes all investment banking, underwriting, derivatives, sales and trading activities into one coordinated department. This consolidated business model provides municipal clients with broad access to market information, facilitates quick responses to changing market conditions, and allows BofAML to seamlessly match its municipal clients' financing needs with investor demands.

ALLENTOWN FORWARD, LLC

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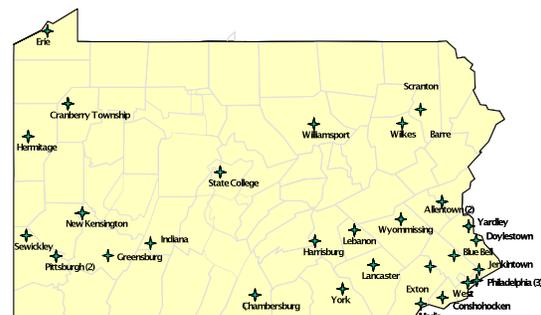
Public Finance Department: The Municipal Investment Banking Division, through its 149 bankers, brings in-depth knowledge, experience and analytical capabilities to provide thoughtful structuring solutions and innovative financing ideas to the company's issuing clients. BofAML operates 18 public finance offices with headquarters located in New York City and its Pennsylvania efforts operated out of Philadelphia.

Municipal Underwriting, Trading and Sales: The Municipal Underwriting and Trading Division, comprised of 47 professionals, is responsible for both new issue underwriting and secondary market trading. The Division includes our New York based Short-Term Group consisting of five professionals. The national Municipal Sales Division consists of 40 professionals specializing in the marketing and sales of both long-term and short-term municipal bonds across the retail, middle market and institutional segments.

Sales and Distribution Capabilities: BofAML's market leadership is directly attributable to the firm's consistent ability to sell and distribute bonds by tapping into its comprehensive nationwide retail and institutional networks. As evidenced by the industry-leading rankings, BofAML has the unmatched ability to effectively access and leverage both retail and institutional participation on behalf of its municipal clients. For more than 50 years, the firm has built an integrated global fixed income distribution network with a proven record of outperforming the competition and consistently achieving optimal pricing and flawless execution on behalf of BofAML clients. No other firm has demonstrated a similar ability to fully engage direct retail and separately managed (professional) retail accounts, as well as, the full spectrum of institutional investors (on a local, national and even global scale) to achieve the absolute lowest cost of funds for the issues we manage. This strength is best represented by the firm's ranking as the #1 competitive underwriter every year since 1992. BofAML's coverage of these investor groups and the firm's willingness to risk its own capital to support its clients sets the firm apart from its competitors and will enable BofAML to provide the lowest overall cost of capital for the financing.

National Retail Distribution Capabilities: BofAML has the industry's leading retail distribution network with over 14,500 Financial Advisors in 725 offices nationwide. A recent independent survey of broker dealers ranked BofAML the #1 distributor of municipal bonds nationally with a 20% market share of all primary and secondary municipal securities sold to retail investors underscoring the reach of our network. There is at least one BofAML retail office in each of the 50 states and a branch office within 25 miles of 95% of the population of the United States and this extensive retail distribution system allows us to identify and canvass the broadest possible spectrum of potential investors.

Pennsylvania Retail Network: In the Commonwealth, BofAML has 207 offices and 3,781 employees. Of these employees, there are 561 financial advisors in 33 offices, as shown in the map to the right, managing over 300,000 retail accounts. BofAML's Pennsylvania retail clients hold \$59.8 billion in assets including \$6.1 billion of municipal bonds, which provide the City with direct access to a vitally important sector of the municipal market.



Institutional Distribution Network: In the current market where investor participation is constantly shifting, BofAML not only delivers an unparalleled retail network, but also a robust institutional network which ensures the bonds can reach all corners of the market. BofAML has 29 institutional sales offices across the nation with 381 sales professionals including 24 dedicated municipal sales specialists covering 1,200 institutional accounts. The depth of the sales coverage allows BofAML to access all top-tier accounts

and key middle market (2nd and 3rd tier) accounts with a focus on bond funds, corporations, investment advisors, bank trust departments and insurance companies. Specifically, related to taxable bonds, BofAML distinguished itself in 2009 and 2010 as a leader in distributing Build America Bonds. Unlike other firms that abdicated the marketing and pricing of taxable municipals to their high-grade corporate desk, the BofAML municipal syndicate desk leads the marketing and underwriting of the firm's taxable pricings in coordination with the firm's corporate desk to access the broadest investor base. This approach ensures that potential investors are better educated on municipal credits and municipal bond structures.

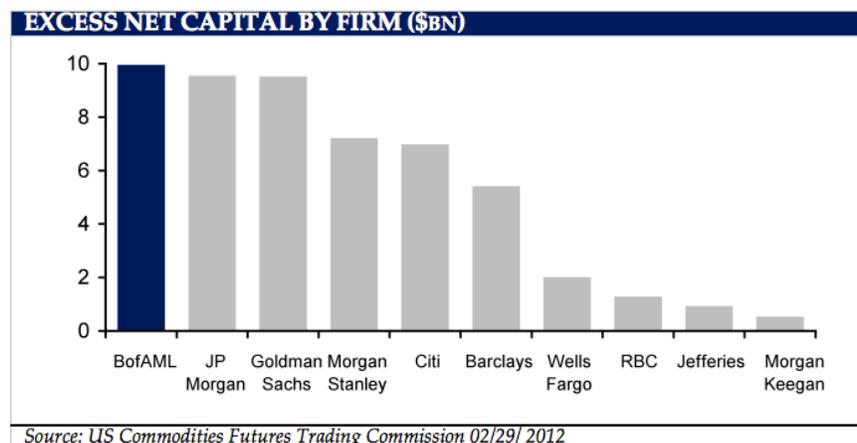
Capital Position: Bank of America Merrill Lynch is one of the best capitalized broker-dealers in the municipal securities industry. The firm's substantial capital base enables us to price bonds aggressively, maintain liquidity in the secondary market, and underwrite unsold balances – even under the most adverse market conditions. The following table summarizes the Firm's capital position since end-of-year 2008.

CAPITAL POSITION	12 / 31 / 2008	12 / 31 / 2009	12 / 31 / 2010	12 / 31 / 2011
Total Capital ⁽¹⁾	\$224,937	\$226,007	\$229,594	\$215,101
Equity Capital ⁽¹⁾	20,003	160,388	163,626	159,232
Net Capital ⁽²⁾	4.128	5.283	9.843	10.761
Excess Net Capital ⁽²⁾	3.524	4.756	9.107	9.958

(1) Data from 12/31/08 reflects Merrill Lynch & Co. All other data reflects Bank of America Corporation. All figures are in billions.

(2) Reflects Merrill Lynch, Pierce, Fenner & Smith Incorporated

For BofAML's issuer clients, the most important of these numbers is "Excess Net" capital, which reflects the difference between the minimum capital a firm is required to maintain to cover potential market and credit risks and the amount of capital it actually holds. In other words, excess net capital represents the pool of capital a firm has available to underwrite the bonds. As illustrated below, with \$9.96 billion as of December 2011, Bank of America Merrill Lynch currently maintains the industry's largest excess net capital position.



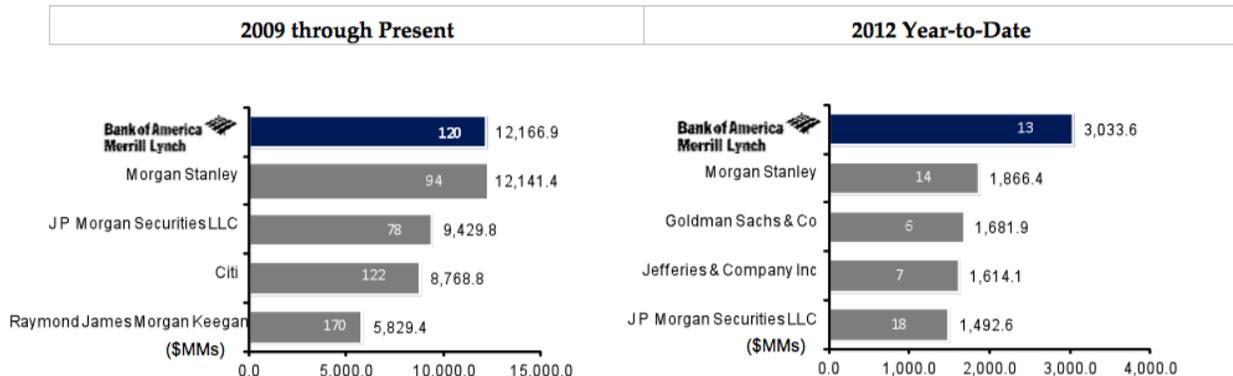
BofAML has proven its ability to close on financings in extremely difficult capital markets. In the fall of 2007, amidst the beginning of one of the worst financial crises ever, BofAML closed on two large military housing financings by fully underwriting the military housing debt. Representing over half a billion dollars of military housing exposure, BofAML underwrote \$276 million for Homeport Hampton Roads (Navy, Norfolk) unaccompanied housing project and took down the Air Force’s entire \$285 million AMC East Communities (Andrews AFB and MacDill AFB) financing. After almost three years, the firm successfully re-offered the entire AMC East Communities Class I Bonds to investors on July 22, 2010 having gone through a complex process of removing MBIA bond insurance and MBIA reserve fund sureties from the original bonds at no additional cost to the project company or the Air Force. The re-offering was completed at a spread to the 30-year treasury security of less than 2.80%. In the wake of the Lehman Brothers bankruptcy in September 2008, BofAML was successful in closing on the US Army’s Fort Jackson Housing project at a very attractive rate. With very few debt transactions whatsoever getting completed at that time, BofAML executed on \$104 million of these bonds as a single class maturing in 47 years at a rate of 7.05%. In December 2009, BofAML executed the US Army’s \$54 million Aberdeen Proving Ground military housing financing as a 30-year single class of bonds at a rate of 7.60%. In addition, BofAML closed on the initial financing for the Privatization of Army Lodging in 2009 that has recently been expanded to more permanent financing by Bank of America, N.A.

Water and Wastewater Experience

Bank of America Merrill Lynch is the national leader in water and wastewater financings. In the past three years, the company has served as senior manager on 120 such financings totaling over \$12 billion, as shown below. Similarly, the firm is top ranked thus far in 2012 with over \$3 billion of senior managed water and wastewater financings for a 14.2% market share and outpacing our nearest competitor by over \$1 billion.

Senior Managed Water and Waster Revenue Bonds

Underwriting Volume



Recent senior managed experience includes the following:

- \$2.1 billion Puerto Rico Aqueduct & Sewer Authority
- \$436 million Irvine Ranch Water District (CA)
- \$327 million Massachusetts Water Resources Authority
- \$304 million Honolulu City & Co. Water (HI)
- \$225 million Metropolitan St. Louis Sewer District

The success is in part due to the existence of our Water and Wastewater/SRF Group, the only such group on Wall Street, and the extensive experience of the Group members. This Group is led by Tom Liu, Managing Director, who has over 23 years of experience in the water sector. This Group works with eight senior level bankers across the nation with extensive experience not only with water and wastewater financings (many with over 20 years of banking experience) but also in water program administration and finance as well as rating agency analysis and oversight of the water sector. Furthermore, our bankers have experience with public-private partnerships, program start-ups and restructurings, asset loan sales, consolidations and divestitures.

Privatization Experience

BofAML has been involved as either a lender or underwriter for a multitude of privatization and concession transactions since 2003, including, but not limited to transit, roadways, military family and unaccompanied service person housing, and military lodging facilities. No firm has greater experience structuring and marketing military privatization financings in the taxable capital markets. Since 2003, BofAML has closed more than \$9 billion of debt financing for military privatizations in a variety of structures and products as indicated below. Each of the revenue bond financings listed were securitizations of the project revenue streams utilizing one to four differently rated classes of bonds and very similar to the debt financing contemplated for the proposed transaction. They were comprised of fixed and/or floating rate debt, and in some instances, zero coupon capital appreciation bonds. In addition, they were each issued by special purpose limited liability corporations. Within the last two years, BofAML has served as a joint book runner for four PPP financings including:

- \$664 million of Senior Lien Revenue Bonds for Elizabeth River Crossings with regards to the Midtown Tunnel Project in Virginia.
- \$400 million of Senior Lien Revenue bonds for the NTE Mobility Partners with regards to the North Tarrant Express project in Texas.
- \$550 million of Senior Lien Revenue Bonds for the LBJ Infrastructure Group with regards to the IH 635 (LBJ) Managed Lanes Project in Texas.
- \$398 million of tax-exempt PABs for the Denver Transit Partners with regards to the Eagle P3 FasTracks project in Colorado.

BofAML is also serving as exclusive Financial Advisor to Cubic Corp. for Chicago Transit Authority's ("CTA") Open Standards Fare System project. Cubic Corp. was selected as the winning bidder for a 12-year design-build-operate-maintain-finance contract to modernize the fare collection and technology infrastructure for CTA. As Financial Advisor, BofAML assisted Cubic Corp. in negotiating financial provisions for the project.

BofAML assisted in the negotiation of the concession and custodial agreements between Cubic and CTA, which enabled the use of a PPP to finance the project. BofAML is currently in the process of structuring a permanent financing solution for the capital costs associated with the project, which comprises approximately \$110 million of the total contract. Using a unique and proprietary structure, BofAML has enabled Cubic and CTA to achieve the lowest cost of financing for the project.

BANK OF AMERICA MERRILL LYNCH	
MILITARY HOUSING PRIVATIZATION INITIATIVE EXPERIENCE	
5 Garages, Enforcement, Meter Collections, Meter Maintenance	
8 Garages, 3 Surface Lots, Enforcement	
\$125,000,000 Privatization of Army Lodging Permanent Financing (2012)	
\$155,000,000 Aurora Military Housing III (2011)	
\$172,975,000 Forest City Southern Group – 40% Debt Takedown (2011)	
\$284,855,000 AMC East (Andrews/ MacDill AFB) Remarketing	
\$53,560,000 Aberdeen Proving Ground (2009)	
\$75,000,000 Fort Benning Family Housing Tender (2009)	
\$44,635,000 Knox Hills Swap Restructure (2009)	
\$60,000,000 Privatization of Army Lodging Interim Loan (2009)	
\$103,535,000 Fort Jackson Family Housing (2008)	
\$284,855,000 AMC East (Andrews/ MacDill AFB) (2008)	
\$271,406,345 Norfolk Unaccompanied Housing (2007)	
\$307,220,293 Ohana Military Communities Family Housing (2007)	
\$160,180,000 Atlantic Marine CoRepublic Communities, Phase III (2007)	
\$69,000,000 Fort Hood Family Housing (2007)	
\$178,925,000 Knox Hills LLC (2007)	
\$233,515,594 Ohana Military Communities Family Housing (2006)	
\$307,220,293 San Diego Unaccompanied Housing (2006)	
\$80,000,000 Atlantic Marine CoRepublic Communities, Phase II (2006)	
\$382,000,000 Camp Pendleton & Quantico Housing, Phase IV (2006)	
\$609,628,888 Ohana Military Communities (2006)	
\$466,987,900 Fort Benning Family Housing (2006)	
\$26,335,000 Fort Hood Family Housing (2005)	

BANK OF AMERICA MERRILL LYNCH	
MILITARY HOUSING PRIVATIZATION INITIATIVE EXPERIENCE	
	\$177,795,000 Aurora Military Housing I and II Refinancings(2005)
	\$66,400,000 Camp Pendleton & Quantico Housing (29 Palms) (2005)
	\$285,480,000 Atlantic Marine CoRepublic Communities (2005)
	\$583,795,000 Mid-Atlantic Family Communities (2005)
	\$1,597,500,000 Army Hawaii Family Housing (2005)
	\$289,000,000 Ohana Military Communities Family (2004) (financial advisor)
	\$85,000,000 Fort Sam Houston Family Housing (2005)
	\$79,500,000 Camp Pendleton & Quantico Housing (2004)
	\$478,000,000 Camp Pendleton & Quantico Housing (2003)

Key personnel involved in the Water Assets transaction:

BofAML has assembled an extensive and experienced financing team to serve the varied financing needs of the City. The group is comprised of four senior investment bankers who together bring nearly 100 years of experience in the municipal industry:

Philip Korot

Managing Director

One Bryant Park
New York, NY 10036
646.743.1355 (phone)
philip.korot@baml.com

Years of Experience: 25+ years

Prior to joining Merrill Lynch, Mr. Korot served as a banker at Lehman Brothers; the manager of the Municipal Finance Department at Dean Witter Reynolds and as General Counsel for the New York State Housing Finance Agency, the New York State Medical Care Facilities Finance Agency, the New York State Project Finance Agency and the State of New York Municipal Bond Bank. Mr. Korot's experience includes privatization, project and infrastructure finance, housing finance, real estate development, and military housing. He has extensive experience in financial products and capital market structured products. He has participated in more than \$25 billion of financings, including \$3.5 billion of military housing privatizations. Notable military transactions include Pearl Harbor (Navy and Marines), Fort Irwin (Army), Fort Belvoir (Army), Andrews and MaDill (Air Force), Fort Benning (Army), and San Diego and Norfolk Naval Stations (unaccompanied housing for the Navy).

Education: J.D. - Brooklyn Law School.; B.S. - City University of New York (Brooklyn College);

ALLENTOWN FORWARD, LLC

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David Notkin

Managing Director

One Bryant Park
New York, NY 10036
646.743.1376(phone)
david.notkin@baml.com

Years of Experience: 20+ years

Mr. Notkin joined Merrill Lynch's Housing Finance Department in 1994. Prior to joining Merrill Lynch, Mr. Notkin was a vice president at Bear, Stearns & Co. During his investment banking career, he has provided investment banking services for numerous military housing financing including the Aurora Military Housing I, II and III transactions, Hampton Roads unaccompanied housing issue, and many others. He also provides banking services to housing finance agencies in Alaska, California, New York, Kentucky, Michigan, Virginia, Hawaii, New Mexico, and others. Before entering the investment banking field in 1992, Mr. Notkin was an assistant vice president at Standard & Poor's Corporation where he was responsible for rating the single and multi-family housing bonds of numerous state and local housing finance agencies as well as structured financings for mortgage related products.

Education: MBA - Babson College; B.A. - University of Massachusetts.

Eugene Spinelli

Managing Director

1818 Market Street
Philadelphia, PA 19103
215.446.7018 (phone)
eugene.spinelli@baml.com

Years of Experience: 24+ years

Eugene Spinelli serves as lead banker of the Mid-Atlantic Region. Mr. Spinelli is a Managing Director based in Philadelphia with over 24 years of public finance experience. Mr. Spinelli is responsible for the firm's coverage of major issuers within the States of Maryland, Ohio, New Jersey and West Virginia and the Commonwealth of Pennsylvania. After joining the firm in June of 2008, Mr. Spinelli senior managed issues for the City of Baltimore, State of Maryland, State of Delaware, City of Philadelphia, City of Jersey City and many others. Mr. Spinelli received his BS from Pennsylvania State University and his M.M. from the Kellogg Graduate School of Management.

Education: M.M. – Kellogg Graduate School of Management; B.A. – University of Pennsylvania.

Thomas Liu

Managing Director

One Bryant Park
New York, NY 10036
646.743.1361 (phone)
thomas.liu@baml.com

Years of Experience: 16+ years

ALLENTOWN FORWARD, LLC

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Mr. Liu is the Manager of Bank of America Merrill Lynch's Water and Wastewater/SRF Group which is top-ranked in the water and wastewater sector in 2012 (to date) and 2011 (full year). Previously, he served in the same role at UBS Investment Bank which was consistently the industry leader in water and SRF financings. For most of his 23 year career, Mr. Liu has specialized in water and wastewater financings and has served numerous water issuers including Massachusetts Water Resources Authority, New York City Municipal Water Finance Authority and Puerto Rico Aqueduct and Sewer Authority. For his water clients, Mr. Liu has developed and implemented various innovative financing products and structures including floaters/inverse floaters, interest rate hedges and subordinate lien debt. Additionally, he is a well-recognized expert in SRF (leveraged/pooled wastewater and drinking water) financings. He has also advised water issuers on various matters including public-private partnerships, program start-ups, asset loan sales, consolidations and divestitures. Just last year, he advised the State of Indiana on the City of Indianapolis' sale of its wastewater system to Citizens Energy Group, a non-profit organization. Additionally, he is a Certified Public Accountant (inactive status) and worked for PriceWaterhouseCoopers in their auditing and consulting practice areas.

Education: M.B.A. - University of Chicago; B.S. - University of Maryland.

Carlos Montoya

Director

One Bryant Park
New York, NY 10036
646.743.1373 (phone)
carlos.montoya@baml.com

Years of Experience: 16+ years

Dr. Montoya joined Merrill Lynch's Housing Finance Department in 1994 to provide analytic support and quantitative analysis. Carlos served on the team for the Aurora Military Housing I and II refinancing transactions, the Hampton Roads unaccompanied housing issue and numerous other military housing transactions. He has provided primary analytic support for housing clients in Kentucky, Alaska, Illinois, California, New Hampshire, Wisconsin and Michigan. Dr. Montoya worked in Merrill Lynch's Risk Management group for a year before rejoining the Housing Finance Department in 2002. Prior to joining the Firm in 1994, Dr. Montoya worked as a Research Associate at the National Superconducting Cyclotron Laboratory at Michigan State University.

Education: Ph.D. in Physics - State University of New York at Stony Brook; B.A. in Physics - Colgate University.

PROVIDENT RESOURCES GROUP



Provident Resources Group ("Provident") is a national nonprofit organization, founded in 1999 as a Georgia nonprofit corporation, exempt from Federal income tax under Section 501(a) of the Internal Revenue Code, as an organization described in Section 501(c)(3) of the Code. Provident's charitable purposes include, but are not limited to, facilities, programs, activities and services that serve to assist state and local governments in lessening their burdens. In addition to serving its charitable mission to lessen the burdens of government, Provident also undertakes projects that serve to advance higher education, affordable housing, healthcare, and senior living.

ALLENTOWN FORWARD, LLC

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Provident has served its missions in over 17 states over the past decade, accessing approximately \$1.5 Billion in capital from the private and public markets. Provident has assembled an asset base of approximately \$850 Million while serving its missions in the U. S.

Provident is guided by a diversified national board of directors experienced in government administration, higher education, finance, investment banking, venture capital funding, and the law. Furthermore, Provident is led by a talented senior management team of professionals that includes experienced lawyers and CPAs seasoned in the area of tax-exempt financing for public institutions and nonprofit organizations who are focused on serving the missions of Provident in communities across the United States through its socially responsible community development. Perhaps most important to Provident's abilities to execute and its successes to date is the support and confidence it has from many of the largest investment and commercial banking firms in the country. Over the past several years, Provident has worked with leading financial institutions, including the following:

- Bank of America – Merrill Lynch (Investment Banking Division)
- Bank of America (Commercial Banking Division)
- Citigroup Global Markets
- RBC Capital Markets
- Zions Bank Public Finance
- Wells Fargo
- Barclays Capital
- Lehman Brothers (prior to 2008)
- Compass Bank
- Raymond James – Morgan Keegan
- Capital One
- Regions Bank

Role of Provident Resources Group

An affiliate of Provident would participate in the project (Provident LLC) of which Provident would be the sole member. The Provident LLC would serve as the Concessionaire during the term of the Concession Agreement. Governance of the Provident LLC would be vested in a board of managers, with local representation from the City of Allentown. As the core mission of Provident includes lessening the burdens of government, the Public Steward Structure™ will allow the City of Allentown to benefit from a true public-private partnership with an experienced nonprofit partner whose mission is aligned with the needs of the City. This will include working in collaboration with the City of Allentown and all interested stakeholders to maintain and operate the Water and Sewer Systems in a manner that will serve the needs of the City of Allentown and its citizens for the long term.

Following is a summary of just a few of Provident's projects that are comparable in scope to that contemplated by the City of Allentown. These projects evidence Provident's experience in partnering with public institutions to develop solutions to critical infrastructure needs.

Comparable Projects:**Montclair State University – The Heights**

The Heights represents the first and, to date, only public private partnership project for a state college under the New Jersey Economic Stimulus Act of 2009. The project, which opened in the fall of 2011, involved the development and financing of an approximate 2,000-bed student housing and 25,000 square foot dining facility on the campus of Montclair State University. The Heights was financed through the issuance of the New Jersey Economic Development Authority’s \$234,990,000 Revenue Bonds (Provident Group – Montclair Properties LLC – MSU Student Housing Project) in June of 2010. In January, 2012, Provident and The Heights Project were recognized by The New Jersey Alliance and presented with the 2011 Outstanding Public Private Partnership Infrastructure Project of the Year Award.

**University of Florida – The Continuum**

Working in close collaboration with the University of Florida Department of Housing and Residence Education, The Continuum will function as a residential living-learning community exclusively for University of Florida graduate and professional students (a first for the university) by providing approximately 450 residential units and 600 spaces of structured parking, along with a mix of retail services. The Continuum will also serve to “bridge” the University of Florida’s main campus with downtown Gainesville, while supporting the ongoing economic development initiatives of the City of Gainesville for the area as well as complementing the University of Florida’s planned development of its multi-phased research park to be known as Innovation Square.

**State of North Carolina – Carolina Corrections Facilities**

In 2001, facing an acute need for immediate increases in the State’s prison system, the State of North Carolina enacted legislation authorizing the North Carolina Department of Corrections (DOC) to contract with private entities for the construction and financing of correctional institutions. Following a RFP process conducted by the North Carolina DOC, Provident was selected to construct and finance three 1000-bed correctional facilities. Provident and its construction partner, Centex-Rooney, completed the three facilities ahead of schedule and under budget. The facilities were financed through the issuance of approximately \$224 million in taxable bonds issued by a Provident affiliate. As per the North Carolina DOC, the savings resulting to the State of North Carolina were in excess of \$10 million.



North Carolina State University – Valentine Commons

Valentine Commons is a residential community targeted to upper-division undergraduate students at North Carolina State University. Valentine Commons is contiguous to the academic core of the NCSU campus and within the Hillsborough Street Municipal Service District established by the City of Raleigh in 2008 as a means of promoting economic development. The project, which is scheduled to open in the fall of 2012, involves the development and financing of an approximate 928-bed apartment-style housing complex and an adjacent, on-site parking garage with approximately 750 parking spaces. Valentine Commons was financed through the issuance of Public Finance Authority’s \$95,175,000 Student Housing Revenue Bonds. A local board of managers representing the interests of the various stakeholders, the City of Raleigh, Hillsborough Community Service Corporation, NCSU and Provident, will oversee operations of the Project, approve annual operating budgets and establish policies.

The key personnel from Provident who will be involved in the Water Assets transaction include the following:

NAME	TITLE	ROLE
Steve Hicks	President and CEO	Executive Sponsor
Debra Lockwood	EVP & CFO	Financial Manager
Donovan Hicks	Corporate General Counsel	Lead Counsel for Project
Kenneth Becker	Capital Markets Advisor	Lead Financial & Bond Placement Advisor

Steve E. Hicks

Founder, Chairman of the Board of Directors, President, & C.E.O.

hicks@provident.org

Steve Hicks, Founder of Provident, serves as Provident’s Chairman and President & Chief Executive Officer. Mr. Hicks practiced law for 25 years. He served as Special Counsel with Jones Walker Waechter Pointevent Carrere & Denegre LLP, in the Baton Rouge office from 1996 until October 1998. Mr. Hicks was formerly a partner with the firms of McCollister McCleary Fazio Holliday & Hicks, Baton Rouge (1974-1982), Foley Judell Beck Bewley Martin & Hicks, Baton Rouge and New Orleans (1983-1988), Kutak Rock, a national firm with offices in 12 cities (1988-1994), and Gary Hicks Field Landry & Bradford, Baton Rouge (1992-1996), specializing at all times in the area of public finance.

Mr. Hicks received his Bachelor of Science (1970) from Louisiana State University and Juris Doctorate (1973) from Louisiana State University School of Law. He is a member of the American Bar Association, the Louisiana State Bar

Association, the National Association of Bond Lawyers, the American Health Lawyers Association, and the National Council of Public Private Partnerships. He is also a Fellow of the Louisiana State University Academy of Politics.

Mr. Hicks specialized in the area of public finance with additional concentration in the area of legislative law. He participated in many public finance issues over the past 25 years in a variety of roles including bond counsel, underwriter's counsel, and counsel to the issuer. He played a major role in the formation of the Louisiana Public Facilities Authority ("LPFA"), one of the nation's largest issuers of debt securities for a wide range of public projects. While practicing public finance law, Mr. Hicks was the principal attorney or supervisory partner on approximately \$12 billion in project financings from 1973 until 1996 for acute care general hospitals, nursing facilities, affordable housing and numerous other health care and other essential state and local government projects.

Mr. Hicks served as General Counsel to the Louisiana Senate Committee on Revenue and Fiscal Affairs (1976-1980) where his primary responsibility was for bond and tax legislation referred to the Committee and the Louisiana Public Facilities Authority from 1974 – 1980.

Mr. Hicks served as a member of the Board of Directors of the American Red Cross – Louisiana Capital Region Chapter (2000-2006). Mr. Hicks currently serves as a member of the Board of Directors of the Louisiana Research Park Corporation and is Chair of the Corporation's Audit Committee.

Debra W. Lockwood

Executive Vice President, Chief Financial Officer

lockwood@provident.org

Debra White Lockwood has her Bachelor of Science in Accounting (1977) and her Master's in Business Administration (1999), both from Louisiana State University. Furthermore, Ms. Lockwood is a certified public accountant (CPA), and is accredited in Business Valuation with the American Institute of CPAs ("AICPA"). Additionally, Federal and Louisiana State Courts as well as several Family Courts have recognized her expertise in both business valuation and accounting.

Ms. Lockwood currently serves as Executive Vice President and Chief Financial Officer of Provident. Since 2002, Ms. Lockwood has been a member of the senior management team responsible for financial oversight and the development and implementation of strategic and operational initiatives. Prior to 2002, Ms. Lockwood had extensive professional experience as a practicing certified public accountant during which time she provided business valuation, audit and tax services and represented numerous healthcare clients and participated in several tax-exempt bond financings. Ms. Lockwood served from 1991 through 1996 on the Board of Directors of Woman's Health Foundation, the parent entity for Woman's Hospital, Baton Rouge, Louisiana, the largest specialty hospital of its kind in the nation, where she served as Treasurer, member of the Executive Committee and Chair of Fiscal Oversight. Ms. Lockwood also served from 1994-1996 as a member of the Board of Directors of Woman's Physician Health Organization. Upon stepping down from the Board of Directors of Woman's Health Foundation, Lockwood served Woman's Hospital from 1996 through 1997 as Senior Vice President of Corporate Finance and Development during which time, as a member of senior management, she was responsible for managing corporate finance and development of new business, third party affiliations and fund development.

Ms. Lockwood served on the Board of Commissioners of the Louisiana Housing Finance Agency from 1996 to 2005. The LHFA was established by the Louisiana Legislature in 1980 for the purpose of undertaking various programs designed to assist with the financing of housing needs in the state of Louisiana for persons of low and moderate income. Ms. Lockwood has served on the multi-family and finance committees and chairman of the audit committee of the LHFA and as its board Vice Chairman (1999-2001).

Ms. Lockwood is a member of the Louisiana Society of CPAs (“LSCPA”), AICPA, and the American Society of Appraisers in Business Valuations. She has served on the Strategic Planning Committee, Litigation Services, and Peer Review Committees of the LSCPA. In 1996, Ms. Lockwood was appointed as State President of the National Association of Certified Valuation Analysts. In addition, she has been active in many national, regional and local civic organizations including the Boards of the Chamber of Commerce, Hibernia National Bank Baton Rouge City Board, Louisiana Arts & Science Center, Woman’s Health Foundation, Arts Council of Greater Baton Rouge, VOA National Housing Corporation, etc. Additionally, since 1997, she has been an active volunteer for the American Heart Association in various capacities in officer roles on local, regional, and the National Board of Directors. She served as the Chairman-elect of the National Board of Directors from 2010-2011 and, prior to that appointment, was Secretary-Treasurer and a member of the National Audit Committee, ECC Business Management Committee, Corporate Operations Coordinating Committee and Chairman of the Investment Subcommittee.

Donovan Hicks

Corporate General Counsel

dohicks@provident.org

Donovan Hicks has his Bachelor of Science in Accounting (1983) and Juris Doctorate (1986) from Louisiana State University. In 1987 he received his LL.M. in Taxation from Southern Methodist University.

Mr. Hicks began his professional career in 1987 in private practice specializing in general corporate and tax matters and in the representation of corporate trust departments of state and national banks serving as trustee banks for various tax-exempt bond financings in Louisiana and other state and local jurisdictions. He is a member of the Louisiana State Bar Association (1986-Present) and the American Health Lawyers Association. Since 2001, Mr. Hicks has been a member of the Provident senior management team responsible for overseeing legal, tax and corporate compliance issues and the financing and development of new properties.

Since 2006 Mr. Hicks has served as a member of the Board of Directors of the American Red Cross – Louisiana Capital Region Chapter.

Kenneth L. Becker

Capital Markets Advisor

kbecker@beckerfc.com

Kenneth L. Becker serves as Capital Markets Advisor for Provident. Mr. Becker is founder and principal of Becker Capital and Finance, LLC, a financial and securities advisory firm based in Atlanta, Georgia. Mr. Becker has over 25 years experience in the public finance sector, having served as a Director in the Public Finance Department of Citigroup Global Markets between 1990 and 2008, and as Vice President at both Smith Barney and Prudential between 1982 and 1990, where his areas of concentration included real estate, public-private partnerships, higher education

and multifamily housing. Mr. Becker has received numerous distinctions and awards during his career, including the Distinguished Alumni Award from the University of Delaware (2007), “Most Innovative Housing Finance Award” from the U.S. Conference of Mayors (1998), and the Distinguished Service Award from the Secretary of the United States Department of Housing and Urban Development (1980). Mr. Becker received his B.A. (Sociology) and M.A. (Public Policy) from the University of Delaware.

III. Operator: Specifically identify the entity or entities that will act as operator of the Concession Assets under the proposed Concession.

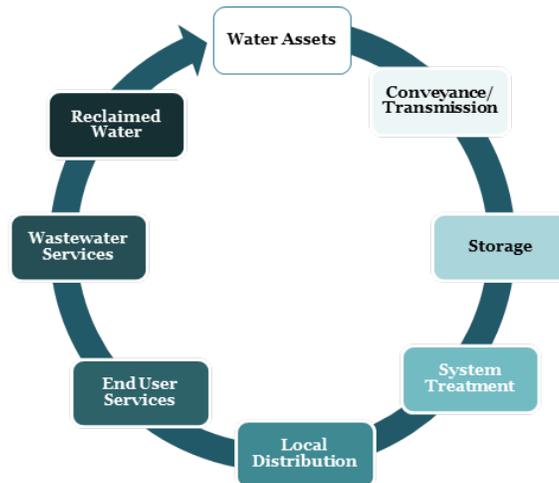
The Consortium has not yet selected the entity that will serve as the operator of the Water Assets during the term of the Concession. Antarctica has had discussions with leading water asset operating companies (including OMI, American Water, Veolia, Severn Trent, and Epcor), each of whom either has potential conflicts until after the RFQ process or are a part of other groups who intend possibly to bid for the Concession for the City’s Water Assets. The Consortium has elected to not select its operating partner for the Water Assets until after the RFQ process and after consultation with the City. The Antarctica team (including Baseline Engineering Corporation, its internal advisor) has the capability to evaluate and underwrite the City’s Water Assets and manage any of the aforementioned or the other leading water companies. The Consortium believes it is important that the City have the flexibility to select an investment group that not only offers the greatest value (in terms of proceeds, terms and nature of transaction, and the ability to offer the City ongoing participation in the management of the Water Assets) but also offers the City the flexibility to choose the best in class operator for the Water Assets in collaboration with the Consortium. This approach is very similar to the public private partnership transactions that involve the sale and leaseback of government office buildings whereby property management responsibilities are contracted out separately to a professional property management company and the long term asset management function remains with the acquiring concession owner. A similar approach is currently being used in Nassau County, New York, which is seeking to monetize its water and waste treatment system and where, as indicated above, Antarctica has also submitted its interest in the proposed concession.

The Antarctica team has experience in the entire water sector (see Water Value Cycle diagram below) including specific experience in utility management. Key team members have not only operated and managed large municipal utility systems, such as the city of Phoenix, but have also served as elected officials and policymakers. This has included serving on the Board of Directors for the Central Arizona Project, which delivers water to millions of people in central Arizona. The Antarctica team understands that the key to a successful public private partnership will be the system employed by our team for the Water Assets. This will require combining careful analysis with our understanding of the different risks involved, including: infrastructure investment requirements, operating requirements, communications with the operator, the regulatory framework under which the Water Assets operates, and a comprehensive plan to manage these risks. Our water and wastewater team’s experience includes:

- Responsibility for a municipal wastewater system serving a population of over 2 million including responsibility for capital investments, which ranged in the hundreds of millions of dollars, and operation and maintenance of facilities collecting and treating in excess of 100 million gallons per day
- Contract operated water and wastewater facilities for municipalities and investor owned systems including responsibility for compliance assurance and reporting

- Designed water and wastewater facilities of various sizes and levels of sophistication
- Evaluated water and wastewater systems on behalf of buyers and sellers to determine the level of capital investment needed to upgrade the system for operating efficiency and to help the buyer determine the expected return on investment
- Conducted extensive utility system operational audits to determine efficiency and effectiveness from manpower utilization and overall system efficiencies

The Water Value Cycle



IV. Contact Person: Provide a single contact person for all future communication between ALLENTOWN and the Prospective Proposer. Please identify the contact person’s name, title, organization, address, telephone number, fax number, and email address.

The name and contact information for the Consortium’s principal contact:

Mr. Chandra R. Patel
Managing Director
Antarctica Infrastructure Partners, LLC
405 Lexington Avenue
Suite 5500
New York, NY 10174
Tel: +1.212.983.1605
Tel: +1.212.983.1602
Fax: +1.212.983.1609
crpatel@antarcticacapital.com

V. Controlling Interest: Identify the individuals or companies who hold a major or controlling interest in each team member.

Descriptions of each Consortium member's controlling interest follows:

ANTARCTICA



Antarctica Infrastructure Partners, LLC has a controlling interest in Antarctica PAO Partners, LLC.

BANK OF AMERICA MERRILL LYNCH



Bank of America Merrill Lynch is a publicly traded company which has no controlling investor group as its shares are widely held and traded on the New York Stock Exchange (BAC).

PROVIDENT RESOURCES



Provident is a national nonprofit organization, founded in 1999 as a Georgia nonprofit corporation, exempt from Federal income tax under Section 501(a) of the Internal Revenue Code, as an organization described in Section 501(c)(3) of the Code. As a nonprofit corporation, Provident does not have shareholders, members or other equity owners. Rather, Provident is governed by a diverse and experienced Board of Directors, and its day-to-day activities are directed by its senior management headquartered in Baton Rouge, Louisiana. Provident's Board of Directors is made up of the following individuals:

- Steve E. Hicks, Chairman – Founder, Chairman and Chief Executive Officer, Provident Resources Group Inc., 1999 – Present (Baton Rouge, LA)
- Walter G. Monsour, Non-Executive Chairman – President & CEO, East Baton Rouge Redevelopment Authority, January 2009 – Present (Baton Rouge, LA)
- Thom W. Harrow – Chief Executive Officer, Airport Property Partners, LLC, 2008 – Present (New Canaan, CT)
- Tom E. Greene, III – Managing Partner, The Greene Group at Morgan Stanley Smith Barney, 2010 – Present (Athens, GA)
- Walter G. Bumphus, Ph.D. – President and CEO, American Association of Community Colleges, 2011 - Present (Austin, TX and Washington, D.C.)
- Nancy H. Henze – Former Executive Director, Municipal Assistance Corporation for the City of New York, 1998 – 2008 (New York, NY)

VI. Expected Advisors: Identify the companies and individuals who are expected to act as legal, financial, or other advisors for the team.

The following entities are expected to act as advisors for Allentown Forward, LLC or its members:

ENTITY	ROLE
DLA Piper	Counsel to the Consortium
Obermayer	Local Counsel to the Consortium
Jones Walker	Counsel to Provident
Jones Day	Counsel to Bank of America Merrill Lynch

Descriptions of each entity follow:

DLA PIPER



Building strong and substantial client relationships was the compass for DLA Piper’s business strategy and future development. Today, the company has 4,200 lawyers in 76 offices across Asia Pacific, Europe, the Middle East and the United States. With a direct presence in 30 countries, DLA Piper represent more clients in a broader range of geographies and practice areas than any other law firm in the world. The firm’s client commitment is also its brand – everything matters when it comes to the way the firm serves and interact with its clients. If it matters to their clients, it matters to DLA Piper.

Clients: DLA Piper’s clients range from multinational, Global 1000 and Fortune 500 enterprises to startup companies developing industry-leading technologies. They include more than half of the Fortune 250 and nearly half of the FTSE 350 or their subsidiaries.

Services:

DLA Piper’s core practices include:

- Corporate and Finance (with particular strength in the Technology, Energy, Venture Capital and Private Equity sectors)
- Litigation and Arbitration
- Real Estate and Real Estate Capital Markets
- Regulatory and Government Affairs
- Intellectual Property and Technology
- Tax and International Tax

DLA Piper also have leading practices in the following areas:

- Franchise and Distribution
- Employment, Pensions and Benefits

Key Facts and Figures

- DLA Piper is comprised of 4,200 lawyers across 76 offices and 30 countries
- In 2010, DLA Piper began working in cooperation with top Brazilian law firm Campos Mello Advogados, which has offices in Rio de Janeiro and São Paulo, to serve clients in Latin America and open the door for referral business to DLA Piper's worldwide network
- In 2010, DLA Piper donated nearly 156,000 hours valued at US\$75 million worldwide. The firm's pro bono program is consistently ranked among the best by The American Lawyer, and DLA Piper was the first law firm to be listed in The Sunday Times "Top 100 Companies that Count" for its ranking in Business in the Community's Corporate Responsibility Index
- DLA Piper is committed to sustainability and was the first in the legal field to achieve ISO 14001 certification across all the continents in which it operates, committing the company to standards that significantly reduce its impact on the environment

Rankings

- 1st among the world's top law firms who are "called on to handle groundbreaking global transactions of incredible complexity" – Law360 2011
- 1st in M&A deal volume globally and in the UK during 2011, and among the top 5 firms in the US, Europe and China – mergermarket, Thomson Reuters and Bloomberg
- 1st in the world for private equity and venture capital deal volume during 2010 – Dow Jones Private Equity Analyst, 2010
- 550 DLA Piper lawyers ranked as leaders in their fields – Chambers & Partners, 2011
- 12th for client service out of 650+ firms serving large and Fortune 1000 companies – 2012 BTI Client Service 30
- 10th among the "Global Elite" law firms for having one of the strongest law firm brands worldwide – Acritas, 2011
- Recognized as one of the law firms "that corporate America turns to the most" – The National Law Journal, 2010
- Only firm that ranks in the top 10 in every region for lawyer headcount – 2010 Legal Business Global 100
- #1 for antitrust litigation based on number of cases filed in US federal district court during the prior two years – Martindale-Hubbell
- #1 in India among international law firms for IPO league tables for the period April 1, 2010, to March 31, 2011 – Bar and Bench
- #2 in the US for commercial law and contracts litigation – Corporate Counsel
- Among top five firms for trademarks issued by USPTO – Intellectual Property Today, 2004-2010

- #1 firm worldwide for franchise legal expertise – The International Who’s Who of Franchise Lawyers 2005-2011

Rankings

- Outstanding Achievement Award – Legal Business Awards 2010
- Award for Excellence as top Real Estate practice in the United States – Chambers USA: America’s Leading Lawyers for Business, 2011
- Advisor of the Year – European Outsourcing Association Awards 2010
- Best Newcomer of the Year – International Tax Review Awards 2010
- Best Corporate Counselor of the Year – Top Capital Summit for Asia Pacific 2010
- International Law Firm – ILO Client Choice Awards 2010
- Global Real Estate Firm of the Year – The International Who’s Who of Business Lawyers 2005-2011
- International Law Firm in the Americas, Los Angeles Tax Firm of the Year and San Francisco Area Tax Firm of the Year – International Tax Review, Americas Tax Awards 2011)
- International Tax Firm of the Year – China Law & Practice Awards 2011
- Finalist in the Product Liability category of the Litigation Department of the Year competition – The American Lawyer 2010

The DLA Piper Infrastructure Group

- **Global PPP Experience:** Infrastructure projects and public-private partnerships (PPPs or P3s in the US) are typically complex and involve multiple stakeholders, perspectives, levels of knowledge and interests. In the infrastructure space, DLA Piper believes no other law firm has the breadth of global and national experience and capability, relationship capital among stakeholders and problem-solving ability of DLA Piper.
- **North American Experience:** DLA Piper serves as counsel to each stakeholder in the P3 supply chain, including financing institutions, project sponsors, concessionaires, government entities, contractors and other consortium participants and engineers. Representative clients include the lenders to ACS team’s recent bid for the Presidio Parkway; the lending banks to the Meridiam-led consortium for the Long Beach Courthouse; DOT in the Missouri Safe and Sound Bridge Improvement Program; Virginia Port Authority in the privatization of the Port of Norfolk; Global Via in the Jackson Airport Parkway; Balfour Beatty and Mitsui in BART Oakland Airport Connector and Itinere in their North Tarrant and Indiana bids.
- **Deep Local Presence and Integrated Firm Approach:** DLA Piper has a local presence in 76 offices and 30 countries worldwide. The firm’s strong community relationships and local knowledge are integrated into its firm-wide sector and practice-specific experience. To serve client needs and priorities, DLA Piper typically staffs matters with a single point-of-responsibility project head and appropriate team members from each relevant discipline and employ a unified team approach with credits shared among partners.
- **Government Affairs:** Governor and former Ambassador to Canada James Blanchard, Defense Secretary William Cohen (at the affiliated Cohen Group) and Senator Tom Daschle, among many others, are available to help DLA Piper clients and are often asked to provide high-level assistance on PPP matters. The firm’s

government affairs practice has strong working relationships with relevant federal, state and local officials and entities.

- **Risk Mitigation, Stakeholder, and Political Analysis:** When requested, DLA Piper will provide a stakeholder analysis, risk mitigation study and public benefit analysis if appropriate. The findings help inform the deal structure, mitigate risk and provide solutions for reaching agreement on concession, construction, operations and financing agreements.
- **Financing:** DLA Piper has many years of experience executing all manner of infrastructure finance, including traditional debt lending, project finance, private placements, municipal finance, structured finance, PABs and agency lending and tax-exempt financing structures tailored for the current market. The firm takes a proactive role in understanding project economics and is skilled at crafting innovative solutions to mitigate credit enhanced risks.
- **Relationship Capital:** DLA Piper leverages its extensive network of clients, business partners and other relationships to introduce potential equity and/or debt sources, operators, contractors or other partners for a project.
- **Construction, Bonding and Insurance:** DLA Piper has construction lawyers handling a wide array of matters across the globe, including design, engineering, contracting, EPC, subcontracting, bonding, insurance, dispute resolution, arbitration and litigation.
- **Procurement:** The firm's procurement team handles all types of federal and state bidding, award, contracting and related issues key to various bidding scenarios.

Water and Wastewater

The water, wastewater and waste-to-energy sector operates within an intricate statutory, regulatory, environmental and political landscape. It is also an industry in flux. Climate change raises the possibility of water scarcity in many critical regions, putting pressure on water supplies and infrastructure. At the same time, governments in developing countries and high-growth regions are embarking on ambitious, large-scale PPP projects to service the increasing demand for water and wastewater treatment plants, sewage sludge composting and drying facilities and waste-to-energy facilities. Investors are also turning to the sector, with entrepreneurs, investors, academics and nonprofits seeking to break through barriers to innovation.

Whatever their involvement, entities in the water and wastewater industry can rely on DLA Piper to promote their interests, preserve their rights and protect them from potential liability. We provide the comprehensive legal knowledge and awareness of the commercial aspects of the business that are key to success in this multifaceted and heavily regulated sector. Our targeted representation is informed by extensive experience advising sponsors, lenders, developers, contractors, operators, technology providers, consortia and governments on all aspects of the water business. Our global network gives us extensive insight into opportunities and resources worldwide, as well as access to key contacts, sponsors and decision-makers.

DLA Piper is involved in some of the largest, most complex water projects in the world, from a US\$900 million IWPP in Oman to an AUS\$1 billion 250 mld desalination plant in Sydney, Australia, that is the centerpiece of the New South

Wales government's water strategy. In addition to project development and finance, we have advised on mergers and acquisitions, project bids, procurement, sovereign immunity, contracting authority, environmental and other regulatory matters, commercial agreements, intellectual property and dispute resolution. DLA Piper's wide range of representation gives us insight into every facet of a transaction and helps us advocate the unique perspective of each of our clients.

Representative Engagements

Public Private Partnerships

- Representing a US-based company in responding to a RFP and negotiating contracts for the construction and operation of a wastewater treatment facility in Fulton County, Georgia, under a design-build-operate structure
- Representing a US-based company in responding to a RFP and negotiating contracts for the operation of wastewater treatment facilities in North Brunswick and Orange, New Jersey
- Counseling a major international company in developing, constructing, operating and financing a US\$250 million 50 mgd desalination facility in Carlsbad, California
- Representing a US-based company as subcontractor for operations in responding to a RFP and negotiating contracts to construct and operate a water treatment facility in Houston, Texas
- Representing a government agency in procuring, financing and constructing a power plant, liquefied natural gas terminal and desalination plant in Puerto Rico
- Preparing a study for the US Department of Defense on the options for PPPs for the Washington, DC water system
- Counseling a government-related entity on potable water and wastewater concessions in the Waterfront and Palm Jebel Ali in Dubai, including advising on procurement strategy, drafting evaluation procedures, preparing a risk matrix, reviewing legislation, preparing project documents and negotiating with bidders
- Acting for a master developer in Dubai on the Jumeirah Golf Estates and International City wastewater concessions
- Advising Dubai Maritime City Authority on all aspects of an industrial and domestic wastewater treatment concession
- Advising Degrémont and Morganti on the development and financing of a wastewater treatment facility in Amman, Jordan. This deal received the 2003 Middle East Water & PPP Deal of the Year Award from Project Finance magazine

- Advising the Oman Power and Water Procurement Company on the implementation of the US\$900 million Al Ghubrah IWPP, a brownfield power and water plant with a capacity of 500 MW of power and 25 mgd of desalinated water
- Advising Aqualia Infraestructuras as a member of Orasqualia, the winning consortium for the New Cairo Wastewater PPP project in Egypt
- Representing a master developer in Dubai on The World's potable water concession
- Representing a master developer in Dubai on the Mina Rashid wastewater concession
- Advising the Asian Development Bank and commercial bank lenders in financing the Thu Duc BOT water treatment plant in Vietnam. DLA Piper was named Legal Adviser of the Year for Water by Infrastructure Journal for our work on this deal, and the transaction was named the 2001 Asia-Pacific Water Deal of the Year by Project Finance
- Advising BNP Paribas as project advisers to CPG (formerly a Singapore public utility) in its bid to build and operate the Ulu Pandan Newwater water treatment project in Singapore
 - Advising the lenders supporting an unsuccessful bidder and acting for the lenders on the financing of the successful bidder, SingSpring, on the Singapore Desalination Project
- Advising the Inter-American Development Bank on the financing of San Pedro Sula municipal water project in Honduras
- Acting for the Australian National Water Commission, Western Australia Water Corporation, Sydney Water, Melbourne Water, Queensland water entities and regulators, City West Water, Central Highlands Water Authority, Gippsland Water Authority and a number of other Victorian and interstate water authorities and NSW Councils with water and wastewater treatment and distribution responsibilities, including:
 - Sydney Desalination Project
 - Gold Coast Desalination Project
 - Southern Seawater Desalination joint venture in Perth
 - South Australian Desalination PPP
- Representing Thames Water Plc in its bid to privatize the water system for Birmingham, Alabama
- Preparing bid responses and negotiating contracts on behalf of a major US-based publicly traded company for PPPs for water and wastewater treatment plants in Camden, New Jersey; Springfield, Massachusetts; and Wilmington, Delaware
- Counseling the National Industries Company throughout every stage of the Sulabiya wastewater PPP for the Ministry of Public Works of Kuwait
- Acting as lead Saudi legal advisor to the Saudi Saline Water Conversion Corporation on its PPP, including advice on Islamic financing

- Advising the Government of Oman in a PPP arrangement for Al Masarrat and Ash'sharqiyah Sands Water Supply Schemes, two major potable water schemes with transaction values of US\$120 million and US\$150 million respectively
- Advising the Muscat Municipality in a PPP arrangement for the Muscat, Oman sewage and wastewater system with a transaction value of US\$300 million
- Advising the Ministry of National Economy on the privatization of the sewage and wastewater system in Salalah, Oman
- Advising the Oman Ministry of National Economy on all legal aspects of the Sultanate of Oman's intention to reform and privatize water and wastewater services throughout the Sultanate. The representation included reviewing existing law, drafting new water sector legislation, advising on the commercial terms on which the private sector could be engaged and advising on industry regulation
- Representing the investors and municipalities in various water and wastewater privatization projects in Manta, Duran, Quito and Quayaquil, Ecuador
- Representing the Inter-American Development Bank as lender in the proposed privatization and development of water and wastewater treatment systems in Acuna, Mexico

Debt Issuances

- United Water and its affiliates in New York, New Jersey, Pennsylvania and Idaho: First Mortgage Bonds, Project Finance Debt for water treatment projects in Pennsylvania, Private placements for United Water Resources and United Waterworks

Mergers and Acquisitions

- Representation of Suez Environment and its subsidiaries and affiliates including United Water Resources, Degremont and Ondeo
- Advising a public water utility on its acquisition of a distressed water utility in the Mid-Atlantic
- Representing a major European water company in acquiring one of the largest US water utilities
- Advising Heckmann Corporation on its acquisition of all the assets of Greer and Silversword, a saltwater disposal, treatment and transportation company
- Representing Southwest Water Company in its acquisition by institutional investors managed by J.P. Morgan Asset Management and Water Asset Management LLC
- Acting on behalf of a mezzanine fund as lender and Erste Bank of Austria as senior lender in the acquisition and financing of a mineral water conglomerate in Romania

Bidding

- Representing a major US contractor in responding to a RFP for a desalination plant in Tampa
- Representing Thames Water Plc. in its bid to buy the US water supply assets of Aquarion Corporation

- Representing a US-based company in responding to a RFP for the construction and operation of water treatment facilities in New Brunswick and Ontario, Canada
- Counseling a bidder on project documentation for the Ras Az Zour IWPP project in Saudi Arabia
- Advising a bidder on project documentation for the Al Dur IWPP project in Bahrain
- Advising Australian Water Technologies as the developer of the Fort Bonifacio water project in the Philippines and as the bidder for the Dungan water supply project in Malaysia

Regulatory/Environmental

- Numerous discharge and permitting matters in New York
- Environmental reporting matters; environmental due diligence in connection with the acquisition of water and wastewater treatment systems
- Representing Cadiz, Inc. in joint preparation with the Metropolitan Water District of Southern California of an EIR/EIS for a large conjunctive use project for storage and transport of Colorado River Aqueduct water and indigenous groundwater
- Conducting a full regulatory review of the water sector for the Government of Egypt, including providing advice on options for maximizing private sector participation and drafting recommended legislation

Joint Ventures and Commercial Agreements

- Representing a water and wastewater services company in its joint venture with a solid waste pelletization facility operator in the US
- Drafting agreements for a highly publicized water conservation program in California's Central Valley, involving land management, crop rotation and fallowing
- Acting for a leading global entity as operation and maintenance contractor on water and wastewater utilities in Tripoli and Benghazi, Libya
- Representing a joint venture for a water supply and sewerage project in the Philippines

Litigation and Dispute Resolution

- Drafting the settlement of a lawsuit between the largest provider of public drinking water in the US and 20+ local water districts over the operation of the California State Water Project (the primary distribution system for drinking water in Southern California) and public agency compliance with the California Environmental Quality Act (CEQA)
- Acting as lead counsel for one of the world's largest chemical companies in several cases involving allegations of failure of plastic pipe in several Texas cities and water districts. At issue was the replacement of the pipes at a cost of tens of millions of dollars
- Winning a trial-level victory for a public water utility on whether electricity used to power the pumps was subject to sales and use tax

- Representing an electric power provider in a successful arbitration involving US\$4 million in claims arising from construction of a 110 mgd drinking water production facility
- Representing a Maryland sewer and water utility in a dispute over the value of 46 acres of property it sought to acquire for the construction of rapid infiltration sewage ponds
- Successfully representing Zenon Environmental in a patent litigation suit against United States Filter Corp. involving water and wastewater treatment systems
- Defending Stafford County, Virginia against multimillion-dollar changes and delay claims by a general contractor, its subcontractor and the architect involving the construction of a water treatment plant

Waste-to-Energy

- Representing a non-regulated utility affiliate in the development of a project for municipal solid waste treatment and waste-to-energy power production in Michigan
- Representing a political subdivision in the development and financing of two waste-to-energy projects in Virginia
- Representing a public authority in the development and financing of two waste-to-energy projects in Maryland
- Representing a political subdivision in the development and financing of a 500-tons-per-day waste-to-energy project in Florida
- Representing a political subdivision in the development and financing of a 500-tons-per-day waste-to-energy project in Connecticut

Project Sitting and Development Matters (including privatizations)

- Haverstraw, NY Desalination Project; Springfield, Massachusetts; Milwaukee, Wisconsin; Gary, Indiana; Dauphin County, Pennsylvania; Indianapolis, Indiana; Pima County, Arizona; Atlanta, Georgia; Bexar Metropolitan Water District, Texas; Petaluma, California; Seattle, Washington; Bayonne, New Jersey; Chicago, Illinois; Laredo, Texas

Rate Cases

- Numerous rate cases in New York for United Water affiliates

General Corporate & Tax Matters

- Restructuring of Suez Environment's US Holdings; Sarbanes-Oxley advice; General US tax advice

Other Relevant Water Experience

- Amman, Jordan Water Conveyance Project; UK Asset Dispositions; Various confidential internal investigations; EarthTech acquisitions in China and Canada

Other Representations

- Covanta Water Company; Development and financing of the Bessemer Alabama Water Treatment Facility; Numerous privatization bids in Brazil, Chile, and Columbia; Disposition of water and wastewater assets in Oman.

Key People at DLA Piper:

David A. Goldstein

Head, Investment Funds Practice

Partner

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Based in New York, Mr. Goldstein focuses on the establishment and representation of private investment funds including both domestic and international private equity and hedge funds. Among his clients are merchant banking and LBO funds, real estate opportunity and value funds, international real estate funds and emerging markets funds with management teams located around the world. He helps managers create investment products and platforms, including managed accounts and separate accounts, and has structured and closed numerous seed and stake deals.

Mr. Goldstein's experience representing hedge funds and their managers is equally diverse, and his clients include large, well-established funds and managers based outside the US investing in non-US markets, as well as first-time funds of high-quality emerging managers. He also represents fund sponsors in structuring their asset management and carry vehicles and establishing governance and compensation arrangements.

Mr. Goldstein advises global investors in alternative asset sectors, working with them to best structure their investments to minimize tax drag on their returns and to help them achieve appropriate terms.

Before joining DLA Piper, Mr. Goldstein was co-chair of the Investment Funds practice at White & Case. Prior to that, he was a partner at a leading law firm for three years and an associate for eight years at another large firm.

Before entering law school, he was a manager in the corporate tax department of a major accounting firm, where he also worked in the audit department. Mr. Goldstein is also a frequent speaker at industry seminars.

Chambers Global: The World's Leading Lawyers for Business 2012 comments that Mr. Goldstein "attracts outstanding reviews for his ability to analyze legal matters from a commercial angle."

Publications

- "Foreign Private Advisors Under Dodd-Frank," *Offshore Red*, March 2012
- Co-author, "Resilience Under Fire: How Private Equity Fund Sponsors Are Responding to Challenges Posed by the Financial Crisis, Investor Demands, and Aggressive Proposed Tax and Regulatory Changes," in *Raising Capital for Private Equity Funds* (Aspatore Books), 2009
- Co-author, "The Administration Sets the Agenda for the Regulation of Private Funds and Private Fund Advisers," *Securities Regulation & Law Report*, July 2009

- Co-author, "SEC Proposes Rules Requiring Offshore Advisors of Offshore Hedge Funds to Register Under the Advisers Act," *The Journal of Investment Compliance*, Fall 2004
- Co-author, "Tax Considerations In Structuring US-Based Private Equity Funds," *International Financial Law Review*, Private Equity and Venture Capital 2002 Edition, 2002

Presentations

- "Managing Africa's Sovereign Wealth," Columbia University's African Economic Forum, April 2012
- Reproduced Speech, "Convergence in Action," presented to the first joint meeting of the Hong Kong Venture Capital Association and the Alternative Investment Management Association, April 2005
- "The Convergence of Private Equity and Hedge Funds in Asia," *Asian Counsel*, December 2004/January 2005

Professional Memberships

- The Association of the Bar of the City of New York

Mark D. Whitaker

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Mark Whitaker is in DLA Piper's Finance practice, regularly representing financial institutions, investors and borrowers. He has a multi-faceted transactional practice with an emphasis on financings involving sports properties.

Mr. Whitaker has represented purchasers, sellers and prospective purchasers of Major League Baseball, National Basketball Association, National Hockey League and Major League Soccer franchises, including, for example, his representation of the Ricketts family in financing a controlling interest in the Chicago Cubs, Wrigley Field and related assets. He has also been instrumental in a number of high-profile financings for new stadiums and arenas for National Football League, National Basketball Association and Major League Baseball teams, including the San Francisco 49ers, New York Jets, New York Giants and New England Patriots; the New Jersey Nets and Orlando Magic; and the Minnesota Twins, New York Yankees and New York Mets. In addition, he has been involved in financings for the National Football League and for affiliates of the Dallas Cowboys and New York Yankees.

Mr. Whitaker also has broad experience with transactions involving public infrastructure, including transportation infrastructure; convention centers and hotels; museums, colleges, universities and other section 501(c)(3) organizations; solid waste disposal facilities; power generation facilities; affordable housing facilities; manufacturing facilities; and shopping centers. He has structured and negotiated senior lien secured and unsecured debt, including credit facilities, exempt public offerings, limited offerings and private placements, as well as subordinated debt and related inter-creditor arrangements. He also has experience with the securitization of judgment receivables and governmental lease obligations.

In 2012, *Chambers USA: America's Leading Lawyers for Business* recognized Mr. Whitaker for his practice in the category of Sports Law: Nationwide. Chambers noted he "is heavily involved in the sports industry, and regularly works with clients from the financial sector on sports transactions. Clients enjoy working with an attorney who is 'smart, insightful, tenacious, and remarkably calm and good humored under even the most daunting of circumstances.'"

In 2010, Mr. Whitaker was named to the *Sports Business Journal's* Forty Under 40 list, in recognition of his accomplishments in structuring financings for sports franchises and facilities. He has appeared as a speaker and panelist at conferences held by the National Association of Bond Lawyers and the New York State Economic Development Council.

Professional Memberships

- New York State Bar Association
- District of Columbia Bar Association
- National Association of Bond Lawyers
- New York State Economic Development Council
- Council of Development Finance Agencies

Joseph Tato

Partner, Corporate and Finance Group

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Mr. Tato regularly represents independent power producers, equity investors, project sponsors, financial institutions and governments in the development and financing of power, oil and gas, LNG, water and wastewater, telecommunications, waste management and other infrastructure projects in the US, Africa, Latin America and Europe. He also represents sponsors and financial institutions in mergers and acquisitions, restructurings and workouts in the energy and infrastructure areas.

Before joining DLA Piper, Mr. Tato was chair of Dewey & LeBoeuf's Global Project Finance and Infrastructure Group as well as chair of its Africa Practice Group.

Chambers Global: The World's Leading Lawyers for Business recognizes Mr. Tato for his Project & Energy practice in Africa and his Projects practice in the US.

Selected Activities

- Director, Covanta Energy Corporation (formerly Ogden Corporation), NYSE Listed (2000-04)
- Steering Committee, US-South Africa Business Forum (2010-ongoing)
- Assistant Secretary and Counsel to the Board of Directors of SITA U.S.A., a subsidiary of SUEZ Environment (1996-99)
- Lecturer at conferences sponsored by the Africa Energy Forum, the Pan African Energy Congress, the International Project Finance Association and the International Private Water Association

Publications

- Co-author, "Southern Exposure: Doing Business in Latin America," Los Angeles Lawyer (1996)

Katherine C. Baynes

Partner

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Katherine Baynes is a partner in DLA Piper's Finance practice, based in New York.

Joining DLA Piper from Nixon Peabody's Rochester, New York office, she concentrates her practice in infrastructure finance and public finance.

She represents government authorities, issuers and underwriters in connection with industrial development revenue bonds, civic facility revenue bonds, college and university bonds, hospital, health care and senior living bonds, other exempt facility bonds and multi-family housing bonds. She has also represented financial institutions issuing letters of credit and standby bond purchase agreements to support a variety of municipal bonds. She has structured and negotiated senior lien secured and unsecured debt, including credit facilities, exempt public offerings, limited offerings and private placements, as well as subordinated debt and related inter-creditor arrangements.

Ms. Baynes has led or acted as a significant member of the team on many sophisticated tax-exempt municipal financings. Ms. Baynes was significantly involved in the New Jersey Nets Barclays Center financing and led the 2009 bond financing for the completion of the New York Mets Citi Field Ballpark.

In addition, Ms. Baynes has acted as company counsel in the refinancing of a waste-to-energy facility in Connecticut and as underwriter's counsel in the financing of a waste-to-energy cogeneration facility in Georgia as well as the taxable refinancing of the adjacent plant.

Ms. Baynes has acted as bond and transaction counsel to several New York State industrial development agencies, including agencies in New York City, Suffolk County, Westchester County, Dutchess County and Ontario County with respect to the issuance of a wide variety of tax-exempt and taxable debt. She has also acted as bond counsel to the Dormitory Authority of the State of New York and the Massachusetts Development Finance Agency. Ms. Baynes was the lead drafter of form documents for an unrated private placement program for the Dormitory Authority of the State of New York and acted as bond counsel for the first two bond issuances under the program.

Ms. Baynes is admitted to practice in New York and Massachusetts.

Professional Memberships

- New York State Bar Association
- Monroe County Bar Association
- National Association of Bond Lawyers

Kristin H. R. Franceschi

Partner

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Kristin Franceschi practices in the areas of corporate and securities law and public finance law. Her practice includes structured finance; public and private offerings of debt securities, both high yield and municipal; borrower representation in conduit or CMBS loans; project finance; tax increment financings; defeasance transactions; arbitrage and tax structuring for municipal finance; and general municipal law. Ms. Franceschi also has represented clients in the negotiation and drafting of technology service contracts and licensing arrangements.

Ms. Franceschi is a member of DLA Piper's firmwide Policy Committee and its Derivatives Committee.

Finance

Ms. Franceschi's finance practice centers around the representation of issuers, underwriters, credit enhancers, portfolio managers and sponsors in connection with public and private offerings of municipal and corporate debt securities. She also has considerable experience with derivative transactions, including swap transactions integrated with municipal securities.

Ms. Franceschi's practice centers around the tax analysis relating to tax-exempt financings (e.g., financing for 501(c)(3) nonprofit organizations, multifamily residential rental housing projects, governments and other beneficiaries of tax-exempt bonds). She has extensive experience in structuring considerations, facility qualification, management contracts and private use allocations. Her public finance practice also encompasses post-issuance compliance matters, such as arbitrage rebate and change in use of bond-financed properties.

As part of municipal financing, many issuers of bonds or conduit borrowers enter into hedging products to cap, eliminate or reduce interest rate exposure. Ms. Franceschi works with the parties to the transaction to incorporate the hedging documentation into the credit structure of the bond issue. She also synthesizes for clients the meaning of the ISDA or other hedging documentation that they are being asked to sign. Ms. Franceschi is also experienced in the use of these hedging products to comply with Internal Revenue Service arbitrage rules or to permit transactions that might not otherwise be possible.

Additionally, Ms Franceschi represents clients in matters before the Internal Revenue Service, whether in the context of a private letter rulings, audits or the voluntary compliance program (VCAP).

Technology

Ms. Franceschi has represented a variety of clients in the negotiation and drafting of technology service contracts, alliances, and licensing arrangements. Her approach to such projects commences with gaining a deep understanding of the client's business needs, expectations, and goals; developing an appreciation for any intellectual property either being provided or to be developed by the client or the other party; and creating a strategy as to what points must be covered in the agreement and/or license agreement and the ownership and licenses to use any intellectual property rights. As a result, Ms. Franceschi is able to structure documentation for clients that is flexible enough to not restrict the growth of the business or project but strong enough to provide the client a firm platform, based on intellectual property rights, to start the next venture.

Professional

Ms. Franceschi is an active member of the American Bar Association's Section on Taxation and its Tax-Exempt Financing Committee. In 1999, she served as editor in chief of Federal Taxation of Municipal Bonds, published by the National Association of Bond Lawyers. In 2001 and 2002, Ms. Franceschi served as the chair of the National Association of Bond Lawyers Opinions Committee, which updated its Model Bond Opinion Report, a publication that provides guidance to municipal finance professionals on matters related to bond opinions and related disclosure matters. She served as the chair of the Bond Attorneys Workshop in 2003 and in 2007 was elected to the board of the National Association of Bond Lawyers; she currently serves as its President. Ms. Franceschi lectures nationally on arbitrage and other federal tax matters related to tax-exempt bonds. She has been named to The Best Lawyers in America.

Her representative derivative experience includes:

- Representation of insurer in connection with basis swap transactions
- Synthetic advance refunding on behalf of a regional hospital system, with "super integrated" interest rate swap, of multiple series of outstanding bonds
- On behalf of a secondary school, interest rate swap integrated into bond yield of variable rate issue but structured to minimize impact of prepayments of bonds and reductions of notional amount of swap with capital campaign revenues
- Advisor to a client in connection with the forward refunding of bonds issued to finance a private activity bond stadium facility, in a structure having up-front savings
- Counselor to a client on the advantages and disadvantages of integrating interest rate caps into bond yield. Documented integrated and other caps in context of multi-tranche off balance sheet equipment financing done on behalf of a health care system

Publications

- "It's Up to State and Local Officials to Save Exemption," The Bond Buyer (October 17, 2011)
- "Let SEC Lead on Disclosure: NABL Lawyer Seeks 'Market Betterment'," The Bond Buyer (October 14, 2011)
- "Incoming NABL Boss Eyes Abroad: DLA's Franceschi Taking Helm Amid Europe's Fiscal Woes," The Bond Buyer (October 12, 2011)
- "Taxes and Infrastructure," Letter to the Editor, The New York Times (September 29, 2011)
- "Bonds Help States Spend, but That Can Be a Problem," Letter to the Editor, Wall Street Journal (November 15, 2010)
- "Musings on Defeasance in the Municipal Market -Tax and Liquidity Issues," Journal of Taxation of Investments (Winter 2010)
- "'Private Payments': A Key to Eligibility for Tax-Exempt Financing," The Real Estate Finance Journal (Summer 2009)
- "Louisville Arena - A Case Study in Politics and Timing," Project Finance and Infrastructure Finance (June 2009)
- "Are You Assuming or Buying an Asset Subject to an Outstanding Tax-Exempt Bond Financing," The Real Estate Finance Journal (December 1, 2005)
- "IRS Releases Proposed Regulations on Refunding Bonds," The Real Estate Finance Journal (September 1, 2003)
- "Tax-Exempt Bonds: An Introduction to Post-Issuance Compliance," The Investment Lawyer (July, 1, 2003)

Presentations and Seminars

- Panelist, Health Economics Roundtable Teleconference: While Washington Fiddles, How are the Nation's Hospitals Coping with the Financial Crisis? (September 2009)
- Panelist, "A Financial Epidemic: The Credit Crisis and Nonprofit Hospitals, The Scary New World of Non-Profit Hospital Finance," American Health Lawyers Association teleconference (January 15, 2009)
- National Association of Bond Lawyers, Bond Attorney's Workshop and Tax and Securities Institute (1989 - Present)
- Moderator, NABL Teleconference on Investment and Swap Pricing (February 2007)

Presentations and Seminars

- Tax Exempt Financing Committee, Tax Section of the American Bar Association
- National Association of Bond Lawyers, President

OBERMAYER



Obermayer enjoys a long-standing reputation for excellence in the business and legal communities. This reputation is built on traditions established by the Firm's founders. Obermayer's lawyers relentlessly pursue the twin goals of unmatched legal advice and an exceptional level of service when guiding clients through any business opportunity or legal challenge. With this approach, the firm has successfully served its clients and built lasting, trust-based relationships since 1904.

Attorneys in Obermayer's Business & Finance Department have extensive experience counseling on an array of matters, including:

Banking: Obermayer attorneys regularly work for financial institutions located throughout the Mid-Atlantic region and beyond. Over the years, the firm has also demonstrated the ability to effectively and efficiently manage a variety of financial transactions — from large, multi-faceted financings to small commercial and SBA loans.

General Corporate: Attorneys in this Obermayer practice group concentrate on corporate governance issues, corporate counseling and transactional matters such as contract negotiations and joint ventures. In these areas, Obermayer represents a range of clients, including both high-profile, international corporations and small, privately-held businesses.

Insurance: Obermayer attorneys specialize in the interpretation and review of personal and commercial insurance policies. The firm also serves as counsel to insurers providing risk management, coverage review, policy drafting/interpretation and defense of claims.

International: Obermayer attorneys have been engaged by American, European, Latin and Asian companies for assistance with business operations and acquisitions within the global marketplace. To better serve clients, members of the Obermayer team are fluent in many foreign languages, including Chinese, French, German, Greek, Italian, Spanish and Russian.

Obermayer's Business & Finance attorneys routinely represent:

- Fortune 500 companies
- Athletes and entertainers
- Educational authorities
- Governmental bodies
- Hospitals and health care facilities
- Individuals
- Insurance companies
- Major foreign companies
- Nonprofit corporations
- Physicians
- Privately-held companies
- Public entities
- Philanthropic organizations
- Traditional commercial lenders
- Real estate developers

Public Finance Experience

Obermayer is among the nationally recognized firms qualified to practice in the public and tax-exempt finance areas. The firm has regularly acted as counsel in bond, underwriting, special tax, trustee and borrower issues. Obermayer also has experience with tax-exempt and taxable bond issues related to governmental, educational and independent authorities including, among many others, health care revenue, lease revenue, airport revenue, higher education and private activity industrial development bonds.

Key People at Obermayer

Walter W. Cohen

Partner

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Walter W. Cohen is the partner-in-charge of the Harrisburg office of Obermayer Rebmann Maxwell & Hippel LLP. He is a member of the Litigation Department and the Health Care Practice Group, practicing in the areas of health care, regulatory law, criminal defense, public utility, general litigation and governmental affairs.

Mr. Cohen received his Bachelor of Arts degree, cum laude, from Harvard College, Cambridge, MA. He was awarded his Juris Doctor from the University of Pennsylvania School of Law, Philadelphia, where he was winner of the Keedy Cup Moot Court Competition.

Immediately prior to joining Obermayer in 1996, Mr. Cohen was the Acting Attorney General of Pennsylvania and, from 1989 through 1994, the First Deputy Attorney General. As First Deputy, he gave overall supervision to all sig-

nificant civil and criminal litigation, while also directly handling appeals in state and federal courts, including arguing before the U.S. Supreme Court.

Mr. Cohen's earlier service in Pennsylvania state government included four years (1983- 87) as Secretary of Public Welfare and four years (1979-83) as State Consumer Advocate. As Secretary, he managed the largest single state agency in the country, including administration of the Medicaid program and oversight of Mental Health, Mental Retardation and Long-Term Care.

He began his legal career in the Philadelphia District Attorneys Office, serving as a Chief Assistant District Attorney from 1969 – 1974.

A major portion of Mr. Cohen's practice currently involves the representation of several large and multi-national corporations on regulatory issues before state Attorneys General throughout the country. He also is experienced in handling medical reimbursement and licensing issues for doctors and health care facilities. He has appeared in all 3 federal district courts in Pennsylvania as well as the Court of Appeals for the Third Circuit.

Among the complex litigation matters in which he has been involved are *In re Vitamins Antitrust Litigation*, MDL No. 1285 (D.DC), where he represented a multinational Fortune 500 pharmaceutical company plaintiff, and *In re Pharmaceutical Industry Average Wholesale Price Litigation*, MDL No. 1456 (D.Mass) where he has represented two major pharmaceutical companies. He currently is local liaison counsel for the plaintiffs in *In Re Chocolate Confectionary Antitrust Litigation*, MDL No. 1935 (D. MDPA).

Mr. Cohen has been an adjunct professor of law at Widener University School of Law, teaching Pennsylvania civil practice. He previously taught criminal law at Temple University and lectured on criminal justice at the University of Pennsylvania School of Law, Bryn Mawr School of Social Work and the National Jail Center in Boulder, CO. He is past President and currently Treasurer of the Board of Directors of the Jewish Home of Greater Harrisburg.

JONES WALKER



Jones, Walker, Waechter, Poitevent, Carrère & Denègre LLP (Jones Walker) serves as counsel to Provident. Jones Walker is one of the largest law firms in the Gulf South. It serves local, regional, national and international business interests in a wide range of markets and industries.

Today, Jones Walker has nearly 300 attorneys in Alabama, Arizona, the District of Columbia, Florida, Louisiana and Texas. The Jones Walker team of attorneys has experience in public finance, tax and real estate matters, all of which are necessary in a transaction such as this one.

JONES DAY



Jones Day is to serve as counsel to the Consortium's underwriter, Bank of America Merrill Lynch. Jones Day's lawyers regularly represent issuers, 501(c) (3) borrowers, investment and commercial banks, bond insurers and other credit enhancers, swap and other derivatives providers, bond trustees, and financial advisors involved in municipal financings. The company's years of experience with the numerous and intricate ramifications of finance for the future op-

erations of government entities have helped it build one of the most knowledgeable and versatile municipal finance practices in the nation.

Jones Day has completed transactions in almost every state in the U.S. and involving a wide variety of transaction structures, including multimodal debt documentation, imbedded derivatives, forward commitments, swaps, swaptions, FHA and GNMA credit enhancement, and pooled financings, as well as the complex tax issues presented by such structures.

Jones Day has served as bond counsel, underwriters' counsel, borrower's counsel, and special tax counsel on a wide range of bond types, including the following:

- Transportation bonds
- Industrial Development Authority financings
- 501(c)(3) bonds
- Health care bonds
- Revenue bonds
- Exempt-facility bonds
- Housing bonds
- Governmental bonds
- Small-issue bonds
- Off-balance-sheet bonds
- Conduit bonds
- General obligations
- Loans
- Leases

Jones Day lawyers have broad experience with the full range of bond structures, including the following:

- Fixed-rate bonds
- Index bonds
- Variable-rate bonds
- Multimodal bonds
- Auction-mode bonds
- Reset bonds
- Tender-option bonds
- Stepped-coupon bonds
- Capital-appreciation bonds

- Variable-rate demand bonds
- Derivatives
- Credit-enhanced bonds

David Kates

Partner

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David Kates practices primarily in the area of public finance, with a particular emphasis on tax-exempt and taxable financings for nonprofit health care entities. He has worked as bond counsel, underwriter's counsel, issuer's counsel, borrower's counsel, restructuring counsel, and purchaser's counsel in both tax-exempt and taxable health care transactions. These transactions have entailed a wide variety of document structures, including multimodal transactions, imbedded derivatives, forward commitments, and swaps. David also has represented providers of derivative products, including guaranteed investment contracts, interest rate swaps, repurchase agreements, and forward delivery agreements.

Representative transactions include: \$239,415,000 Illinois Finance Authority Revenue Bonds, Series 2009 (The Carle Foundation); \$316,000,000 Illinois Finance Authority Revenue Bonds, Series 2009 (Provena Health); \$93,165,000 South Carolina Jobs-Economic Development Authority Variable Rate Demand Hospital Refunding Revenue Bonds (Palmetto Health), Series 2008; and \$109,025,000 The Industrial Development Authority of the City of Yuma, Arizona Hospital Revenue Refunding Bonds (Yuma Regional Medical Center), Series 2008.

Roy Powell

Partner

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Roy Powell's practice is devoted to complex commercial litigation, with an emphasis on construction industry and energy disputes. He is co-chair of Jones Day's global construction group. He has been involved in all facets of construction, energy, infrastructure, and petrochemical projects.

Roy represents owners, contractors, design professionals, and suppliers. He has represented clients in litigation as well as dispute avoidance counseling in construction matters in multiple jurisdictions in the United States and throughout the world. He has extensive experience in counseling from the contracting phase to dispute avoidance, claim preparation, and litigation. In addition to construction-related matters, he has litigated many types of other commercial disputes, including those related to energy and infrastructure projects, telecommunications, and multiple complex post-closing disputes. He has participated in many arbitrations, mediations, and other alternative dispute resolution processes as counsel and as arbitrator.

Roy is a member of the ABA and its Construction Industry Forum, the Pennsylvania and Allegheny County Bar Associations' Construction Litigation Sections, the American Institute of Architects, and the Associated Builders and Contractors. He is a life member of the Penn State Alumni Association.

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Roy has written articles and book chapters for Aspen Publishers, the Pennsylvania Bar Institute, and other legal journals and has participated as a faculty member for the Construction Superconferences and for CoreNet Global's Seminars that are part of the master of corporate real estate certification. Roy serves on the board of directors of Variety Children's Charity and is a member of Oakmont County Club and the Duquense Club.

Roy has a J.D. from the University of Pittsburgh and a B.A. from Pennsylvania State University.

VII. Comparable Projects: Provide a list of comparable projects in which team members have participated. Prospective Proposers should specify how these comparable projects relate to the proposed Concession, their specific role(s) on these other projects, and the extent to which team members have worked together in prior projects.

[LISTED IN SECTIONS ABOVE]

VIII. References: Provide a list of team member references. Include each reference's organization, title, e-mail and phone number. These references should be able to describe the relevant qualifications and capabilities of each team member seeking to take leading roles in the governance, operations, and maintenance of the Concession Assets.

The following references describe the relevant qualifications and capabilities of Antarctica's Paul Hendricks:

Mr. Hendricks has extensive experience with public private partnerships and long-term management contracts with various government entities. EUSI has had numerous multi-year contracts with cities in Arizona to operate and maintain water and wastewater facilities. In addition EUSI has passed and current multi-year contracts with the Arizona Department of Corrections for the operation and maintenance of their utility facilities. Recently EUSI assisted a governmental irrigation district in a private financing, design, construction, and multiyear operation of a multimillion dollar groundwater remediation facility. EUSI has had long-term contracts with municipalities of 10 years with renewal options. Among these contracts with cities and governmental irrigation districts, Mr. Hendricks has provided leadership and Program Management for over \$200,000,000 worth of capital improvements. These public-private partnerships have resulted in large groundwater remediation programs, water and wastewater infrastructure improvements to meet increasing regulatory requirements and growth demands, and long-term operation and management of water and wastewater infrastructure facilities. Mr. Hendricks has provided leadership in the procurement of public private partnership concessions for governmental irrigation districts. Said procurement has followed state regulations which dictate the means and methods of using private funding for a public project.

City of Goodyear

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Jerry Postema

Deputy Director - Environmental Services
Public Works Department
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City of Casa Grande

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Public Works Director
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Gregory B. Smith P.E./P.S.

Deputy Public Works Director City Engineer
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Town of Buckeye

Stephen Cleveland, Town Manager

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Buckeye, AZ 85326

623 349 6910

sclleveland@buckeyeaz.gov

Roosevelt Irrigation District

Donovan L. Neese, P.E. ,Superintendent

Roosevelt Irrigation District

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dneese@rooseveltirrigation.org

Arizona Department of Corrections

Anthony W. Zelenak, Arizona Department of Corrections

1645 West Jefferson St.

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tzelena@azcorrections.gov

City of Fort Collins

Lisa J. Voytko, PE

Water Production Manager, City of Fort Collins

4316 LaPorte Avenue

Fort Collins, CO 80521

(970) 221-6692

lvoytko@fcgov.com

The following references describe the relevant qualifications and capabilities of Antarctica's internal advisor Eric Dole:

City of Goodyear Capital Deployment Program Management Project 2005-2007

Jerald Postema - Deputy Director Water Resources Department, City of Goodyear AZ / 623-693-3781 / Jerry.postema@goodyearaz.gov

Ruben Veloz – Water Superintendent, City of Goodyear AZ / 623-693-0170 / rveloz@goodyearaz.gov

City of Goodyear 157th Ave WWTP Aeration System Energy Audit 2011

Hector Ortiz – Wastewater Superintendent, City of Goodyear AZ / 623-693-0159 / hector.ortiz@goodyearaz.gov

Noah Mundt – Program Manager, Lincus Energy 480-280-1101 / nmundt@lincusenergy.com (APS DSM program manager)

Algonquin Water Asset Management and Optimization 2004-2005

Algonquin Water Services / 602-421-3090 / azwader@aim.com

Turbine Power Generation

Christopher Ochs, Water Division Manager, Town of Gilbert, Arizona Water Division Manager, 480-503-6470, chris.ochs@gilbertaz.gov

The following references describe the relevant qualifications and capabilities of Provident Resources Group:

General Project - Baton Rouge, LA

Hon. Melvin 'Kip' Holden

Mayor-President, City of Baton Rouge

Government Building

Baton Rouge, LA 70801

225.389.5101

MayorHolden@brgov.com

General Project - Baton Rouge, LA

Steve Dicharry

Director, Louisiana Community Development Authority

8712 Jefferson Hwy, Suite A

Baton Rouge, LA 70809

225.924.6150

steve@louisianacda.com

- IX. Provide at least three references, if available, in which the team or team members have experience with public-private partnerships or long-term management contracts with government entities. Include each reference's organization, title, e-mail and phone number.**

The following references describe the relevant PPP or long-term management contract with government entity qualifications and capabilities of Antarctica:

The Honorable John A. Perez

Speaker of the California State Assembly

State Capitol

P.O. Box 942849

Sacramento, CA 94249-0046

Tel: (916) 319-2046

Sen. Kevin De Leon

Majority Leader, California State Senate

State Capitol, Room 5108

Sacramento, CA 95814

Tel: (916) 651-402

Hon. Kevin Johnson

Mayor, City of Sacramento

915 I. Street
Sacramento, CA 95814
Tel: (916) 808-5300

Steven Veres

President, Los Angeles Community College District
770 Wilshire Blvd
Los Angeles, CA 90017
Tel: (213) 891-2000

Richard Katz

Chair, Metrolink
One Gateway Plaza, 12th Floor
Los Angeles, CA 90012
Tel: (213) 452-0200

The following references describe the relevant PPP or long-term management contract with government entity qualifications and capabilities of Antarctica's Paul Hendricks:

City of Goodyear. In 2003 the City of Goodyear was facing multiple challenges associated with their water and wastewater infrastructure. Mr. Hendricks, EUSI was retained as a consultant to be the Program Manager for a multi-year assignment under which EUSI worked in partnership with the city staff. This was a public-private partnership designed specifically to implement over \$119,000,000 worth of capital improvements using alternative delivery procurement methods. One of our project engineers, Eric Dole, performed key engineering functions designed to minimize costs while accelerating the implementation of complex infrastructure improvement projects. EUSI provided ongoing utility advisory services for over six years. The result of our work under which we performed as an extension of city staff, was to design, construct, and commission new advanced water treatment facilities, including reverse osmosis water treatment, and advanced nutrient removal wastewater treatment and water reclamation facilities. This work enabled the City of Goodyear to continue economic development throughout the city and their service area.

City of Casa Grande. In 2009 the City of Casa Grande was expanding their wastewater treatment facility under a capital construction project of approximately \$60,000,000.00 in value. The city had numerous regulatory compliance challenges along with a shortage of qualified staff to manage and operate their utility facilities. The city retained

EUSI, in a public-private partnership to assume the responsibility for regulatory compliance, operation and maintenance, and representation of the owner in the capital construction project. EUSI worked in conjunction with the engineer record for the construction project to assess conditions of the facility, develop an action plan to correct deficiencies, and address regulatory compliance issues. EUSI led the startup and commissioning of the new equipment and systems at the water reclamation facility. EUSI developed outside service contracts in numerous disciplines including biosolids management. These contracts have sense been awarded resulting in substantial savings to the city from past practices. EUSI continues to be under contract with the City of Casa Grande work as an extension of city staff to improve operational efficiencies in the utility.

Roosevelt Irrigation District. EUSI has been under contract with the Roosevelt Irrigation District (RID) for a number of years. This contract has an automatic renewal option to provide continuity of services from year-to-year. EUSI developed procurement documents which led to a public-private partnership in which a private party provided over \$5,000,000.00 to finance, design, build, and operate a granular activated carbon groundwater remediation project. This is the first phase of a groundwater remediation project that is designed to address the largest contaminated groundwater plume in Arizona. EUSI is the program manager for the development of up to 30,000 gallons per minute of remediated water that will be delivered for beneficial use in the district.

Arizona Department of Corrections. EUSI has been under contract with the Arizona Department of Corrections since the early 1990s. These contracts have been for full operation and maintenance services at various Department of Corrections facilities. EUSI has also provided operational consulting services and program management services for various capital improvements. EUSI continues to be under contract at corrections facilities to provide management and operational supervision as well as operator of records services at water wastewater facilities within the complex.

The following references describe the relevant PPP or long-term management contract with government entity qualifications and capabilities of Provident Resources Group:

PROJECT	CITY	REFERENCE CONTACT INFORMATION
North Carolina State University	Raleigh, NC	Ralph Recchie Director of Real Estate North Carolina State University 100 Primrose Hall, Campus Box 7230 Raleigh, NC 27695-7230 (919) 515-3235 ralph_recchie@ncsu.edu

PROJECT	CITY	REFERENCE CONTACT INFORMATION
University of Florida	Gainesville, FL	Norbert W. Dunkel Vice President Director of Housing & Residential Life University of Florida SW 13th St & Museum Road Gainesville, FL 32611 (352) 392-2171 norbd@ufsa.ufl.edu
Montclair State University	Montclair, NJ	Donald D. Cipullo Vice President for Finance and Treasurer Montclair State University 1 Normal Avenue Montclair, NJ 07043 (973) 655-5105 cipulod@mail.montclair.edu

Section F: Technical Capability

- I. Operations and Maintenance Expertise:** Prospective Proposers must provide evidence demonstrating their ability to operate and maintain facilities similar to the Concession Assets. Specifically, Prospective Proposers should have:
- a. substantial water and sewer facility maintenance and operation experience.
 - b. advanced knowledge of water and sewer facilities maintenance, repair, construction, and practical application of equipment and materials in water
 - c. demonstrated understanding in water and sewer facility aging behavior to assess and determine the applicability of remedial maintenance action.
 - d. all the capabilities necessary to successfully operate and maintain the Concession Assets including water and sewer fee management and operations, administration, marketing and public relations.

The Consortium has not yet selected the entity that will serve as the operator of the Water Assets during the term of the Concession. Antarctica has had discussions with leading water asset operating companies (including OMI, American Water, Veolia, Severn Trent, and Epcor), each of whom either has potential conflicts until after the RFQ process or are a part of other groups who intend possibly to bid for the Concession for the City's Water Assets. The Consortium has elected to not select its operating partner for the Water Assets until after the RFQ process and after consultation with the City. The Antarctica team (including Baseline Engineering Corporation, its internal advisor) has the capability to evaluate and underwrite the City's Water Assets and manage any of the aforementioned or the other leading water companies.

Antarctica's Mr. Hendricks has extensive experience and understanding in water and sewer facility aging behavior to assess and determine the applicability of remedial maintenance action. During his career which started in 1970, Mr. Hendricks has had the responsibility to operate and maintain treatment facilities which have been very old and in some cases not properly maintained. These facilities have been providing water and wastewater services and have been of small and large capacity. In many cases the repair and replacement of the equipment and infrastructure have been underfunded for a number of years. This resulted in short-term savings to the utility and the ratepayer. In most of these cases the cost for making the improvements and upgrades were greater than the cost would have been had there been a predictive or preventative maintenance program. It is understood that it in some cases it may be expedient to defer replacement or repair of equipment and systems. This is especially true in well-designed facilities that are provided with redundant equipment and systems. Our experience is that regulatory compliance actions usually trigger investment in repair and replacement of aging infrastructure. In most cases this remedial action is followed by an increase in funding and support for proper maintenance and replacement activities. Mr. Hendricks has the experience to understand when investment is warranted in aging facilities to avoid regulatory compliance actions, interruptions in essential services, or health and safety incidents.

The Antarctica team prides itself on its seasoned knowledge and large-project experience. Also, team members are always re-educating and researching within their fields to stay on the cutting edge of quickly changing technologies

and resources. For instance, over half of Baseline Engineering Corporation's department managers have previously been employed as upper level management positions in private / public municipalities. This means Baseline is intimately familiar with the challenges faced by municipalities.

Baseline understands the importance of functionality, dependability and energy efficiency in water utility infrastructure. All of Baseline's infrastructure designs and studies are focused around sustainable engineering practices and carbon footprint reduction. Baseline staff's significant experience in sustainable infrastructure design, energy audits and "cradle-to-grave" project management will result in timely deliverables within budget that will be highly efficient.

Baseline operation and engineering team members have over 40 years of experience in optimizing water and wastewater systems from production/collection, treatment and distribution. They utilize sustainable engineering and operation practices to ensure that each aspect of the water and wastewater system consumes as little electricity as possible while meeting all operational constraints. The first step in optimizing systems is to conduct an energy audit on major equipment and processes. Baseline has conducted over 65 energy audits on major pumps and blowers over the past 3 years. The main purpose of the energy audit is to "capture the big 3"... Achieve energy efficiency, reliability and profitability by properly selecting and operating pumps and blowers, while evaluating the process to see if operating parameters can be optimized.

Energy consumption for pump systems in water, wastewater and industrial applications account for 40% of the total life cycle cost of the pump. (Hydraulic Institute Standards, 2008) AND 50% - 75% of a wastewater treatment facility energy consumption is attributed to aeration, or blower operation. Incorporating these sustainable engineering and operation practices significantly reduces the utilities carbon footprint while also reducing operation and maintenance expenses with respect to electricity consumption and equipment repairs.

- II. Customer Service:** Prospective Proposers must demonstrate their commitment to achieving the highest standards of customer service and satisfaction. Specifically, the Prospective Proposer must highlight its experience and qualifications providing excellent customer service to the public using its water and sewer services. Additionally, as a pre-requisite, the Prospective Proposer will be expected to provide a plan to execute a seamless transition to concessionaire operations while maintaining the highest standards of customer service.
- a. substantial water and sewer facility maintenance and operation experience.
 - b. advanced knowledge of water and sewer facilities maintenance, repair, construction, and practical application of equipment and materials in water
 - c. demonstrated understanding in water and sewer facility aging behavior to assess and determine the applicability of remedial maintenance action.
 - d. all the capabilities necessary to successfully operate and maintain the Concession Assets including water and sewer fee management and operations, administration, marketing and public relations.

Our team has found that customers embrace a utility that constantly looks to improve efficiency because the money saved in reduced operating costs can be used to pay for necessary capital improvements without passing these costs on to the rate payers. Often, local electric utilities offer significant demand side management rebates for engineering

and capital costs relating to improving the operating efficiency of a pump or blower. This rebate money coupled with the reduced annual operating cost savings often results in payback periods of less than 3 years.

The professional operations and utility management of this Concession, by our team, will benefit from the oversight of Mr. Hendricks, who has extensive experience in this field. Although we have not had the opportunity to meet, interview, and assess the city of Allentown water and wastewater utility personnel, it is anticipated that there are many highly qualified and dedicated staff with years of experience that we can draw upon to ensure the most cost-effective and sustainable utility operation for the customers and the citizens of Allentown. We look forward to applying our skills and our understanding of effective utility management, operation, and maintenance to this Concession. We look forward to the opportunity to fully understand the existing capabilities, limitations, opportunities, and challenges associated with delivering a professional utility service. Under our leadership this Concession will achieve best in class status following our initial assessment. Through a series of focus groups, stakeholder workshops, meetings and briefings, our project team will be able to develop a strategy that will meet and or exceed the community standards for utility services. Because of the fundamental change in providing utility services an important and essential element of our work plan will be an integrated marketing and public-relations action designed specifically for this community and this Concession.

Our project team is committed to demonstrating our commitment to the highest standards of customer service and satisfaction. A critical element in providing the highest standard of customer service and satisfaction is a complete and thorough understanding of the "Community Standards" for utility services. Mr. Hendricks has served as an elected official on the Central Arizona Water Conservation District, known as the Central Arizona Project. During this time he was appointed by his peers to serve on stakeholder working groups that addressed complex intergovernmental and intertribal water supply and delivery issues. In the arid West new water supplies that will support agribusiness and economic development are very contentious. In addition there are federal, state, county, and local political agendas that compete for limited resources. Mr. Hendricks experience in leading community-based forms and stakeholder consensus building processes will result in this Concession developing an understanding of the drivers associated with customer service and satisfaction. One of the early deliverables following selection will be the development of a detailed plan that outlines "Key Result Areas" (KRS) that will enable a seamless transition to concessionaire operations while maintaining the highest standards of customer service. It is our commitment and also well within our capabilities to elevate the standards of customer service and satisfaction under this Concession.

III. Safety and Security: Prospective Proposers must demonstrate their ability to address and resolve safety and security issues. Specifically, the Prospective Proposer should have:

- a. knowledge of water and sewer and public safety and security techniques and methodologies.
- b. experience in emergency response support.

It is understood the safety and security is of paramount importance in a utility operation. Mr. Hendricks was a Director for the Central Arizona Project, a district which received the highest safety award granted in Arizona. In addition during Mr. Hendricks career he has been involved in a number of security training and orientation activities that have heightened his awareness of this important element in a utility operation. The project team will conduct a systematic and complete safety and security assessment under this Concession. The American Water Works Association, (AWWA) has an excellent set of standards for water system security and personal safety. These and other resources

will be brought to bear to address and resolve any safety or security issues which may exist under the current operation. As part of our human resources development program, our project team will ensure that each and every team member understands their individual roles and responsibilities in this important area. Because human capital is priceless, we recognize that each team member must feel safe and secure while they are performing their activities. We will establish a culture that values teamwork so that each person is watching out for one another and helping each person go home safely to their friends and family at the end of their assigned work day.

Mr. Hendricks recently completed an emergency response plan for the Arizona Department of Corrections. This plan covered all essential areas of the utility at the complex. The Department of Corrections is planning to implement similar emergency response plans at other correctional facilities. This plan was developed using proven procedures and practices, with input and critique from those that would use this plan in the event of an emergency. A critical element in this emergency response plan is semi-annual training and drills which are documented in the permanent records of the emergency response plan. Our project team will assess existing emergency response plans as well as actual experiences of the utility. Based upon these reviews, an updated emergency response and support plan will be developed and implemented.

A water/wastewater utility operation that is optimized around process efficiency will result in the consistent delivery of safe, reliable water to either the customer or receiving body of water that meets or exceeds EPA mandated maximum contaminate levels. Never will the integrity of the water delivered to the customer be compromised at the risk of reducing power costs.

IV. Capital Improvements: Prospective Proposers must demonstrate their ability to efficiently undertake required capital improvements to the Concession Assets during the term of the Concession Agreement. Prospective Proposers must demonstrate expertise in relevant water and sewer engineering standards, specifications, policies, practices, and processes.

Our key project team members have demonstrated ability and experience in the effective and efficient implementation of major capital improvements programs. Their experience in traditional as well as alternative delivery project implementation will be a key element in the efficient and cost-effective delivery of capital improvements throughout this Concession. Because Mr. Hendricks and others on our project team have developed standards and specifications for utility systems, the primary activity that will ensure our collective success will be the establishment of community-based standards for the utility equipment and systems provided under this Concession. It has long been understood that clear standards and objectives are required to avoid the procurement of equipment and systems which can either be low-cost but low quality and value or high-cost and limited quality and value. Because many factors go into standards and specifications one needs to understand past practices as well as the current equipment and systems. A balance of matching the existing equipment and systems with the opportunity to select new and different equipment and systems, which may have improved efficiencies, must be carefully determined. In addition one must understand the skill sets and experience of the staff that will be responsible for operating and maintaining any new equipment and systems. This can be especially true with modern automation that is designed to reduce labor and energy consumption. This Concession provides a unique opportunity to assess current standards, specifications, policies, and practices that may no longer be in the best interest of the utility.

Section G: Financial Capability

- I. Financial Capacity to Make Upfront Payment, Maintain the Concession Assets.** Prospective Proposers must demonstrate their financial capacity to pay the upfront consideration and to maintain the Concession Assets for the term of the Concession. To demonstrate sufficient financial capacity, the primary equity providers and operators must provide copies of audited financial statements for the past three years, together with any other relevant financial information. If audited financial statements cannot be provided, team members should provide enough financial information to demonstrate that they have the financial resources to successfully execute a project of this nature and scope.
- II. Ability to Raise Financing.** Prospective Proposers must provide specific evidence demonstrating their ability to raise financing for a project of this nature and scope. Specific factors that will be assessed include:
- a. capability of issuing debt and raising equity in the current capital market.
 - b. the number and size of past relevant transactions.
 - c. specific experiences on past relevant transactions.

1. Financial Ability

PAO Program™

The Public Asset Optimization (PAO Program™) constitutes an innovative programmatic solution for local, state and federal government entities that seek to unlock and optimize the value of capital assets they currently own. Embodied in the PAO Program™ is the recognition that government entities have differing goals and concerns when they approach the monetization or value enhancement of their assets. On one end of this spectrum is a full privatization, with a sale of the asset to the private sector and a concomitant transfer of control, management and any residual rights to the private sector. On the opposite end of the spectrum is a financing that permits “equity” from the asset to be extracted, with ownership of the asset and control, management, and residual rights all remaining with the governmental entity. The PAO Program™ has a flexibility that allows it to be generally impartial about where an asset is placed on the continuum of ownership, control, management, and residual rights, since Antarctica has the ability and flexibility to invest in different parts of the capital stack. Instead the focus is on providing governments with a customized solution in a collaborative effort to determine the best strategy for ownership and management of public assets while addressing all key stakeholder concerns. The PAO Program’s™ flexibility from a capital structure perspective and its innovative application of financing techniques permit the optimization of governmental asset value realization and the potential for asset-related revenue growth within the confines of all stakeholder concerns.

Implementing the Public Steward Structure™ from the PAO Program™

Allentown Forward, LLC intends to execute the Public Steward Structure™ from the PAO Program™. Antarctica will be the provider of equity and Bank of America Merrill Lynch (“BofAML”) is expected to serve as the underwriter for the financing.

The unique financial and technical capabilities and expertise of the Consortium and its innovative Public Steward Structure™ financing structure from the PAO Program™, are capable of fulfilling the City’s primary objectives for the Water Assets transaction: 1) maximize the overall value of the transaction to the City in the short and long-term, 2) provide sufficient assurances that all technical and financial assurances obligations will be met over the life of the Concession, 3) provide current and future customers of the Water Assets with safe and effective water and sewer services while assuring the City of fair rate management, and 4) provide for the capital improvements required to optimize the long-term value of the Water Assets.

The Public Steward Structure™ for the monetization of the Water Assets offers a blend of the best characteristics of a private sector concession and continued public sector ownership. Our approach ensures that the monetization of the Water Assets serves the long-term interests of the City and is not just a short-term fix. The Public Steward Structure™ specifically addresses the criticisms of the Chicago, Pittsburgh and other proposed and executed asset monetization transactions. Our focus is upon enhancements and a sustainable solution with a long-term capital improvements plan. Indeed, our approach permits us to have a collaborative relationship with labor, including the ability to retain the existing labor force for the Water Assets.

Members of the Consortium have a proven track record of executing this type of structure and implementing the operational and capital improvements required for achieving the City’s objectives, ensuring excellent stewardship of the City’s Water Assets. Antarctica will be the equity provider and can demonstrate it has the financial resources to execute successfully a project of this nature and scope.

Antarctica has the capability and commitment to execute high profile public private transactions. For example, Antarctica was the winning bidder in the Golden State Portfolio (“GSP”) transaction in California in 2010. The GSP transaction which is under contract involves the sale-leaseback of a portfolio of 7.3 million square feet of office buildings by the State of California. Antarctica’s winning bid was \$2.3 billion and included a deposit of \$55 million. Antarctica is currently in the process of applying the PAO Program™ to the GSP portfolio to permit the State to realize the value of its assets while addressing stakeholder concerns. Antarctica is also in the process of applying the PAO Program™ to other transactions in the United States. Antarctica leads Sacramento Forward, LLC’s bid for the City of Sacramento’s Parking Assets and has qualified for the final RFP and is also offering funding for the proposed arena in Sacramento. Antarctica also leads Harrisburg Forward, LLC’s bid for the City of Harrisburg’s parking assets, and is one of the finalists for the concession. In the water sector, Antarctica has submitted its interest in participating in the proposed concession for the water and waste treatment system in Nassau County, New York. Antarctica is also in the early stages of a variety of public asset monetization and optimization transactions in California and Florida.

2. Ability to Secure Financing

Bank of America Merrill Lynch (“BofAML”) will be engaged to serve as debt underwriter to secure any financing necessary to fund the up-front payment and any annual or other periodic payments during the term of the transac-

tion. BofAML is a global leader in project and public finance. The firm has also been a leading underwriter of municipal bonds sold by Pennsylvania issuers.

BofAML is the #1 underwriter both nationally and in the Commonwealth of Pennsylvania (“Commonwealth”). Since January 1, 2010, BofAML has senior managed 1,228 transactions nationally for a total par of \$128.3 billion earning a 13.6% market share which includes 55 transactions in the Commonwealth for a total par of \$5.7 billion representing a 14.9% market share as shown in the tables below.

National Senior Managed Rankings January 1, 2010 - March 9, 2012			
Firm Name	Par Amount (\$mm)	Market Share	Number of Issues
BofAML	103,751.9	13.6	1,016
Citi	95,049.3	12.4	854
J P Morgan	91,491.7	12.0	859
Morgan Stanley	62,839.6	8.2	622
Barclays Capital	46,948.9	6.2	363

Pennsylvania Senior Managed Rankings January 1, 2010 - March 9, 2012			
Firm Name	Par Amount (\$mm)	Market Share	Number of Issues
BofAML	4,726.7	15.3	49
RBC Capital Markets	4,438.1	14.3	279
PNC Financial Services	3,361.1	10.9	207
Citi	2,728.3	8.8	23
J P Morgan	2,457.9	7.9	15

As discussed above, BofAML has been involved as either a lender or underwriter for an extensive list of privatization financings for a multitude of project types. The debt included revenue bond structures similar to that expected to be utilized to finance these Water Assets. As one of the world’s leading financial institutions, BofAML has relationships with the largest and wealthiest base of individual investors, as well as with virtually every institutional investor active in both senior and subordinate debt.

3. Value Creation

A Framework for Value Creation: PAO Program™ and the Public Steward Structure™

The PAO Program™ recognizes the lingering effect of the financial crisis and the impact of its longer term effects which could have an adverse impact on revenues to local and state governments for a number of years. Our mission is to work with local municipalities, public agencies and state governments to generate increased revenues from assets and improve efficiencies and amenities. We understand that many of these assets can have an impact on both the balance sheet and income statement. The PAO Program™ and more specifically its Public Steward Structure™ not only will offer the City a high monetary value up front and greatest total value for its Water Assets, but will also provide a framework for creating value for the City via an optimization of its Water Assets through the prism of all of its stakeholder concerns.

Value Creation of the Public Steward Structure™

The inherent flexibility of the Public Steward Structure™ permits the Consortium to retain the City’s existing labor force. In addition to maximizing value upfront and offering high-quality service to the City’s water and sewer customers, other elements of the Public Steward Structure™ that might maximize “value creation” for the City in terms of the arrangement between the Consortium and the City include:

- Lowest cost of capital which will mean high upfront proceeds

- True public private partnership permitting City input into structure and nature of concession, ownership of assets, rate setting, selection of operating partner, operations and maintenance, and enhancements and capital improvements
- Potential for a shorter length of term for Concession
- Management of rate setting in collaboration with City
- Intent to retain existing labor force for Water Assets and experience working with and good relations with organized labor
- Ownership that reflects a closer alignment of interests with the City than a traditional private sector ownership structure
- Preserving long term ownership of the Water Assets for the City

Ensure Future Economic Vitality and Growth of Allentown

Allentown Forward, LLC is committed to working in partnership with the City to ensure that the proposed monetization of Allentown’s Water and Sewer Assets contributes to the City’s long-term financial stability and economic growth. The factors identified above in the “Value Creation of the Public Steward Structure™” section specifically identify some of our potential contributions to our partnership with the City. Importantly, our approach ensures that the monetization of the Water Assets serves the long-term interests of the City and is not just a short-term fix by specifically addressing the criticisms of the Chicago, Pittsburgh and other executed and proposed water monetization transactions. The PAO Program™ provides an innovative financing solution for public sector entities to optimize the value of their capital assets and maximize the potential of these assets for monetization or revenue growth. The PAO Program™ has the flexibility to unlock the value of City’s Water Assets, and offers the greatest return on those assets for the City.