



## LONE STAR COLLEGE SYSTEM

February 23, 2010

### Request for Qualifications for Underwriting Services

#### The Following Issues are Contemplated:

**\$120,000,000\* Limited Tax General Obligation Bonds, Series 2010**

**Anticipated pricing: May 2010**

**\$10,000,000\* Limited Tax Refunding Bonds, Series 2010**

**Anticipated pricing: Immediately**

**\$10,000,000\* Revenue Financing System Refunding Bonds, Series 2010**

**Anticipated pricing: Immediately**

## I. PURPOSE

Lone Star College System (the “System”) is soliciting qualifications for the purpose of retaining underwriters to provide underwriting services for the above-mentioned issue (the “Bonds”). In selecting the underwriting team, and in particular, the senior manager, emphasis will be placed upon experience on similar financings, firm’s Texas retail distribution, firm’s capital position, Texas underwriting history and proven distribution capacity at a reasonable cost.

## II. INSTRUCTIONS

### 1. RFQ SUBMISSION

Please submit three bound copies of the response to Mr. John Robertson, Treasurer of the System at the address below. Additionally, please submit an electronic PDF copy by email to RBC Capital Markets Corporation and the System at the email addresses provided below.

**Lone Star College System**  
5000 Research Forest Drive  
The Woodlands, Texas 77381-4356  
[john.m.robertson@lonestar.edu](mailto:john.m.robertson@lonestar.edu)

**RBC Capital Markets Corporation**  
[stephanie.henning@rbccm.com](mailto:stephanie.henning@rbccm.com)

### 2. RESPONSE GUIDELINES

#### a) Format and Deadline

The System desires to minimize the submission of unnecessary RFQ material. Interested firms are limited to 10 pages with questions repeated before each answer (not including cover letter). Relevant Appendices are not size limited.

**All proposals must be marked “Request for Qualifications for Underwriting Services – Lone Star College System” and be delivered to the System both physically and electronically no later than 1:00 p.m. CST, on Monday, March 15, 2010.**

- b) Cost Incurred In Responding  
All costs directly or indirectly related to preparation of a response to this RFQ shall be the sole responsibility of and shall be borne by the underwriter responding.
- c) Inquiries Regarding RFQ  
Questions and comments regarding this RFQ are to be directed to Clarence Grier or David Tiffin at RBC Capital Markets Corporation (214) 989-1750 or (214) 989-1777, respectively. ***Any attempt by a respondent to contact Board Members or System staff regarding this RFQ may result in rejection of said response.***
- d) No Joint Responses  
Responses must be submitted individually. Joint responses will not be considered.

### III. SELECTION

The System reserves the right to reject any and all responses and/or to solicit additional responses. The System reserves the right to make decisions regarding the scope of services, the term of the agreement and related matters after receipt of responses to this RFQ, and the System's decision on these matters is final.

The System reserves the right to revise any or all elements which comprise the response of an underwriter to ensure that the best possible consideration be afforded.

The System reserves the right to select an underwriter or underwriters for a specific purpose or for any combination of specific purposes and to defer the selection of any underwriter to a time of the System's choosing.

The System intends to use the selected underwriting firms in their underwriting team on all three transactions referenced herein.

### IV. QUESTIONS FOR UNDERWRITERS

1. Provide a brief firm overview and include the resumes and office location(s) of the Lead Underwriter and Public Finance Banker(s) who will represent your firm on this transaction. Please specify if your firm has any offices (indicating type of office) located in Houston or surrounding areas. Please also list the amount of federal funds received by your firm as of December 31, 2009, if any. **(15 Points)**
2. Provide your firm's total firm capital, total equity capital, net capital, and excess net capital as of December 31, 2007, December 31, 2008, and December 31, 2009. **(10 Points)**
3. Provide any prior experience that your firm has had with underwriting the System's Bonds and/or submitting financing ideas and marketing information to the System through printed materials or in-person meetings. **(20 points)**
4. Since September 1, 2008, provide at least one (1) general obligation bond transaction case study and one (1) revenue bond transaction case study that demonstrate your firm's willingness to underwrite bonds for Texas municipal issuers during volatile market conditions. Also, describe the internal approval process required (if any) for your firm to underwrite bonds. **(10 Points)**
5. Describe your firm's Build America Bond qualifications and experience. **(10 Points)**

6. Complete the following tables by indicating couponing, yields, spread to MMD, and takedowns to provide the lowest cost of funds to the System for the proposed \$120,000,000 General Obligation Limited Tax Bonds, Series 2010 indicated herein. In addition, please specify your firm's underwriting expenses for such transaction. (Footnote whether you include Management Fee, UW Counsel Fee, etc.) **(10 Points)**

Maturity (08/15)	Principal Amt*	Coupon	MMD (02/23/10)	Yield	Spread to MMD	Takedown
<b>Current Interest Bonds</b>						
2011	\$2,400,000					
2012	-					
2013	2,300,000					
2014	6,300,000					
2015	-					
2016	-					
2017	-					
2018	-					
2019	-					
2020	-					
2021	-					
2022	-					
2023	-					
2024	-					
<b>Current Interest Term Bond Maturing in 2030</b>						
2025	\$15,445,000					
2026	16,215,000					
2027	17,030,000					
2028	17,880,000					
2029	18,775,000					
2030	19,710,000					

\*Preliminary structure; subject to change.

7. Please complete the following table describing your firm's personnel. **(10 Points)**

<b>SUMMARY OF SALES PROFESSIONALS</b>		
<b>Type of Sales Professionals</b>	<b>12/31/2008</b>	<b>12/31/2009</b>
Retail		
Institutional		
Traders		
Underwriters		
Total		

8. Litigation. Is your firm the subject of any litigation involving a Texas Issuer? Is your firm the subject of an investigation or have been subpoenaed by any State Attorney General regarding matters related to the distribution of any type of securities. **(5 Points)**
9. Describe any other factors pertaining to your company's ability to serve as an underwriter that may be relevant to this solicitation. **(10 Points)**