RESOLUTION NO. 21288

Background

It is necessary and desirable for The Illinois State Toll Highway Authority (the "*Tollway*") to retain certain financial firms to provide, on an as-needed basis, underwriting services in connection with the issuance of new bonds.

The Tollway issued the Request for Proposals #16-0155 for Bond Underwriting Services (the "*RFP*") to establish two pools of financial firms to be available to provide, on an as-needed basis, bond underwriting services for Tollway financings for an initial term of three years with renewal options of up to two years.

Proposals received pursuant to the RFP were: (a) reviewed by the Procurement Department for administrative compliance and vendor responsibility; and (b) evaluated by an evaluation committee for Responsiveness (as defined in the RFP). As a result of the review and evaluation of the proposals, certain financial firms were determined to be qualified to provide the aforementioned bond underwriting services, after which pricing was negotiated with such firms. As a result of the review and evaluation of the proposals and subsequent price negotiation, it is deemed in the best interest of the Tollway to select the following financial firms to serve, on an as-needed basis, as Senior Managing Underwriter or Co-Senior Managing Underwriter for a Tollway bond issuance:

Citigroup Global Markets Inc.;
Goldman, Sachs & Co.;
Jefferies, LLC;
J.P. Morgan Securities LLC;
Loop Capital Markets LLC;
Merrill Lynch Pierce Fenner & Smith Incorporated;
Morgan Stanley & Co. LLC;
Piper Jaffray & Co.;
PNC Capital Markets LLC;
RBC Capital Markets, LLC;

RESOLUTION NO. 21288

Background-Continued

Samuel A. Ramirez & Co., Inc.;
Siebert Cisneros Shank & Co. LLC;
Wells Fargo Bank, N.A.; and
William Blair & Company. L.L.C. (collectively the "*Senior Pool*");

and to select the following financial firms to serve, on an as-needed basis, as Co-Managing Underwriter for a Tollway bond issuance:

Academy Securities, Inc.;
Bernardi Securities Inc.;
Blaylock Van, LLC;
Cabrera Capital Markets, LLC;
George K. Baum & Company;
Hutchinson Shockey Erley & Co.;
Janney Montgomery Scott LLC;
KeyBanc Capital Markets Inc.;
Mesirow Financial, Inc.;
Oppenheimer & Co. Inc.;
Raymond James & Associates, Inc.;
Rice Securities, LLC;
Robert W. Baird & Co. Incorporated; and
Stifel Nicolaus & Company, Inc. (collectively the "*Co-Manager Pool*")

Resolution

The selection of the aforementioned firms to provide, on an as-needed basis, the described bond underwriting services for an initial term of three years is approved. The Chief Financial Officer is authorized to negotiate the terms and conditions of agreements with each of the firms in the Senior Pool, subject to review and approval of the Acting General Counsel and pricing not to exceed $2.00 per $1,000 bond par amount for the takedown portion of the underwriting discount. The Chairman or the Executive Director is authorized to execute any and all documents necessary to effectuate said agreements and the

RESOLUTION NO. 21288

Resolution-Continued

Chief Financial Officer is authorized to issue warrants in payment thereof. As needed for each bond issuance, the Chairman or the Executive Director is authorized to assign a bond underwriting group consisting of firms from the Senior Pool and Co-Manager Pool, each assignment to be made consistent with the considerations for making such assignments contained in the RFP. Firms in the Senior Pool are deemed eligible to serve as bond remarketing agent.

Approved by: [redacted]

Chairman

[redacted]

STATE OF ILLINOIS
CONTRACT

Illinois Tollway

Bond Underwriting Services

16-0155I

The Parties to this contract are the State of Illinois acting through the undersigned Agency (collectively the State) and the Vendor. This contract, consisting of the signature page and numbered sections listed below and any attachments referenced in this contract, constitute the entire contract between the Parties concerning the subject matter of the contract, and in signing the contract, the Contractor affirms that the Certifications and if applicable the Financial Disclosures and Conflicts of Interest attached hereto are true and accurate as of the date of the Contractor's execution of the contract. This contract supersedes any prior contracts between the Parties concerning the subject matter of this contract. This contract can be signed in multiple counterparts upon agreement of the Parties.

1. **DESCRIPTION OF SUPPLIES AND SERVICES**
2. **PRICING**
3. **TERM AND TERMINATION**
4. **STANDARD BUSINESS TERMS AND CONDITIONS**
5. **SUPPLEMENTAL PROVISIONS**
6. **FORMS A or FORMS B**
7. **TAXPAYER IDENTIFICATION NUMBER PAGE**
8. **VENDORS RESPONSE TO RFP #16-0155 AND RFP #16-0155**

NOTE: This contract establishes the terms and conditions under which the Vendor is available to be assigned by The Illinois State Toll Highway Authority (the "Tollway"), on an as-needed basis as determined by the Tollway, to underwrite Tollway bonds or other debt. Any such underwriting shall be pursuant to a bond purchase agreement or other appropriate form of agreement entered into by the Vendor and the Tollway at the time the Vendor underwrites the Tollway bonds or other debt. Such bond purchase agreement or other appropriate form of agreement shall be the exclusive agreement governing any such underwriting with respect to each party's performance, duties, rights, responsibilities, obligations and liabilities.

In consideration of the mutual covenants and agreements contained in this contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions set forth herein and have caused this contract to be executed by their duly authorized representatives on the dates shown on the following CONTRACT SIGNATURES page.

VENDOR

Vendor Name: PNC Capital Markets LLC	Address: 1600 Market Street, 21st Floor, Philadelphia, PA 19103
Signature: [redacted]	Date: 9/5/17
Printed Name: Samantha L. Funk	Email: Samantha.Funk@PNC.com
Title: Director	Phone: 215-585-5432
	Fax: 215-585-1463

STATE OF ILLINOIS

Procuring Agency: Illinois Tollway	Phone: 630/241-6800
Street Address: 2700 Ogden Avenue	Fax: 630/795-7908
City, State ZIP: Downers Grove, IL 60515	
Official Signature: [redacted]	Date: 10/26/17
Printed Name: Greg Bedalov	
Official's Title: Executive Director	
Approved as to Form and Constitutionality Legal Signature: [redacted]	Date: 10-20-2017
Legal Printed Name: Robert Lane	
Legal's Title: Senior Assistant Attorney General	
Procurement Signature: [redacted]	Date: 10/25/17
Procurement Printed Name: John Donato	
Procurement's Title: Chief of Procurement	

AGENCY/UNIVERSITY USE ONLY	NOT PART OF CONTRACTUAL PROVISIONS
Agency Reference #17-101081	Project Title: Bond Underwriting Services
Contract # 16-0155I	Procurement Method (IFB, RFP, Small, etc.): RFP
IPB Ref. # 22039948	IPB Publication Date: Award Code: B
Subcontractor Utilization? ☐ Yes ☐ No	Subcontractor Disclosure? ☐ Yes ☐ No
Funding Source	Obligation #
Small Business Set-Aside? ☐ Yes ☐ No	
Minority Owned Business? ☐ Yes ☐ No Percentage	
Female-Owned Business? ☐ Yes ☐ No Percentage	
Persons With Disabilities Owned Business? ☐ Yes ☐ No Percentage	
Other Preferences?	

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1. DESCRIPTION OF SUPPLIES AND SERVICES

1.1. SUPPLIES AND/OR SERVICES REQUIRED: The Vendor agrees to be one of a pool of multiple firms (the "Senior Pool") available to provide services, on an as-needed basis as determined by the Tollway, as Senior Managing Underwriter or Co-Senior Managing Underwriter in connection with Tollway bond issues and for the compensation specified in Section 2. A Senior Managing Underwriter of a bond issue must be able to perform the following duties: book runner; leader of the underwriting syndicate; pricing coordinator; lead marketer of the bond issue; structuring the financing (in consultation with any applicable Tollway financial / municipal advisor(s), and Tollway management / staff); review all documentation related to the bond issuance; compliance with disclosure and other requirements of this contract and any Bond Purchase Agreement; investor liaison; preparation of rating materials and presentations; and all other services conventional for a senior managing underwriter. A Co-Senior Managing Underwriter must be able to be a co-leader of the underwriting syndicate; assist, as may be requested by the Tollway, with the structuring of the financing and review of documentation; assist the Senior Managing Underwriter(s) with the marketing of the issue; and provide any other services conventional for a Co-Senior Managing Underwriter. The Co-Senior Managing Underwriter is expected to be integral to the transaction and participate in any aspects of the financing as determined to be necessary by the Tollway. In addition to duties specific to bond issuances to which firms are assigned, firms in the Senior Pool are expected to keep the Tollway informed of fixed income market conditions, especially with respect to the municipal bond market, and other matters pertinent to public finance, and to meet with the Tollway upon request, and at least once annually, to provide detailed consideration of and recommendations regarding items the Vendor considers pertinent to the Tollway. Firms in the Senior Pool are eligible to provide remarketing services for Tollway variable rate bond issues.

1.2. MILESTONES AND DELIVERABLES: The timing of assignment(s), if any, of the Vendor to provide bond underwriting services and the amount of bonds, if any, for which such services are to be provided will depend on a variety of factors, including but not limited to: the extent, if any, to which the Tollway assigns the Vendor to provide such services; whether the Vendor completes any such assignment(s); the size(s) of the bond transaction(s), if any, to which the Vendor is assigned; the rate of progress of the Tollway's *Move Illinois Capital Program*; factors which may impact likelihood of refunding (e.g. fixed income market conditions, regulatory changes, changes among swap counterparties and/or credit enhancement providers, etc.); and other factors. The current, estimated projection of Tollway new money bond par amount issued during 2017 – 2022 is as follows: $300,000,000 IN 2017; $300,000,000 IN 2018; $400,000,000 IN 2019; $400,000,000 IN 2020; $200,000,000 IN 2021; AND $400,000,000 IN 2022. **This projection is subject to change.** The number and amounts of any refinancings will depend on market conditions and other factors. Two series of bonds will become callable at par during 2017-2022: (i) all $279.3M of Series 2010A-1; and (ii) a $100M portion of Series 2009A. Significant amounts of other bonds, including synthetic fixed rate bonds, may be refunded during 2017-2022, depending on market conditions and other factors.

1.3. VENDOR / STAFF SPECIFICATIONS: The Vendor must be registered, and remain registered and in good standing, as a broker dealer with the Municipal Securities Rulemaking Board. The Offeror and assigned personnel must remain current with any ongoing requirements for such registration to be maintained.

1.4. TRANSPORTATION AND DELIVERY: n.a.

1.5. SUBCONTRACTING:

Subcontractors are not allowed.

For purposes of this section, subcontractors are those specifically hired by the Vendor to perform all or part of the work covered by the contract. If subcontractors will be utilized, Vendor must identify below the names and addresses of all subcontractors it will be entering into a contractual agreement that has an annual value of $50,000 or more in the performance of this Contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money to the extent the information is known that each subcontractor is expected to receive pursuant to the Contract. Attach additional sheets as necessary.

1.5.1. Will subcontractors be utilized? ☐ Yes ☒ No

- Subcontractor Name: Click here to enter text

  Amount to be paid: Click here to enter text

  Address: Click here to enter text

  Description of work: Click here to enter text

- Subcontractor Name: Click here to enter text

  Amount to be paid: Click here to enter text

  Address: Click here to enter text

  Description of work: Click here to enter text

1.5.2. All contracts with the subcontractors identified above must include the Standard Certifications completed and signed by the subcontractor.

1.5.3. If the annual value of any the subcontracts is more than $50,000, then the Vendor must provide to the State the Financial Disclosures and Conflicts of Interest for that subcontractor.

1.5.4. If the subcontractor is registered in the Illinois Procurement Gateway (IPG) and the Vendor is using the subcontractor's Standard Certifications or Financial Disclosures and Conflicts of Interest from the IPG, then the Vendor must also provide a completed Forms B for the subcontractor.

1.5.5. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, Vendor will be required to promptly notify, in writing, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to the Contract. Any subcontracts entered into prior to award of the Contract are done at the Vendor's and subcontractor's risk.

1.6. WHERE SERVICES ARE TO BE PERFORMED: Unless otherwise disclosed in this section all services shall be performed in the United States. If the Vendor performs the services purchased hereunder in another country in violation of this provision, such action may be deemed by the State as a breach of the contract by Vendor.

Vendor shall disclose the locations where the services required shall be performed and the known or anticipated value of the services to be performed at each location. If the Vendor received additional consideration in the evaluation based on work being performed in the United States, it shall be a breach of contract if the Vendor shifts any such work outside the United States.

Vendor may limit this information to the public finance office(s) and underwriting desk(s) from which it expects to provide services, and need not consider sales professionals.

- Location where services will be performed: United States

  Value of services performed at this location: 100%

- Location where services will be performed: Click here to enter text

  Value of services performed at this location: Click here to enter text

2. PRICING

2.1 **TYPE OF PRICING:** The Illinois Office of the Comptroller requires the State to indicate whether the contract value is firm or estimated at the time it is submitted for obligation. The maximum rate of this contract for its initial three year term is firm at $2.00 per $1,000.00 par amount of bonds underwritten. This maximum rate is approved by the Tollway's Board of Directors. The total dollar value of this contract for its initial three year term is estimated at $200,000, and may be modified pursuant to Tollway Board approval as provided by written resolution or otherwise in accordance with authority delegated by the Board.

2.2 **EXPENSES ALLOWED:** The underwriting discount may include, subject to Tollway approval, expenses customary, reasonable and necessary for the issuance of revenue bonds by a governmental agency.

2.3 **DISCOUNT:** Not applicable. The State may receive a __% discount for payment within __ days of receipt of correct invoice.

2.4 **VENDOR'S PRICING:** Attach additional pages if necessary.

2.4.1 Vendor's Price for the Initial Term:

Underwriting Takedowns *(expressed as $ per $1,000 par amount of bonds)*	
Bond Maturity*	**Underwriting Takedown**
Weekly Mode Variable Rate	**$0.75**
1 Yr Fixed Rate	**$1.25**
2 Yrs Fixed Rate	**$1.25**
3 Yrs Fixed Rate	**$1.25**
4 Yrs Fixed Rate	**$1.50**
5 Yrs Fixed Rate	**$1.75**
6 Yrs Fixed Rate	**$2.00**
7 Yrs Fixed Rate	**$2.00**
8 Yrs Fixed Rate	**$2.00**
9 Yrs Fixed Rate	**$2.00**
10+ Yrs Fixed Rate	**$2.00**

** Maturities to be rounded to nearest year for purposes of determining applicable takedown. For variable rate bonds with modes one year or greater, the mode will be deemed a "maturity" for purposes of determining applicable takedown per the above chart.*

The above takedown compensations will apply whether the bonds are tax-exempt or taxable, and whether the bonds are senior lien or junior lien. Any underwriter discount will consist of the applicable takedown per the above and customary underwriting expenses. No management fee will be included. Compensation and expense reimbursement for underwriting an assigned transaction will be included in the applicable bond purchase agreement or other appropriate form of agreement and will be fully contingent on the closing of such transaction.

2.4.2 Renewal Compensation: If the contract is renewed, the price shall be at the same maximum rate as for the initial term unless a different compensation or formula for determining the renewal compensation is stated in this section.

2.5 **MAXIMUM AMOUNT:** Vendor's compensation under this Contract shall not exceed $240,000.00 during the initial term without a formal amendment.

3. TERM AND TERMINATION

DL 10/13/17 SF 10/17/17

3.1 TERM OF THIS CONTRACT: This contract has an initial term of October 27, 2017 to October 14, 2020. If a start date is not identified, the term shall commence upon the last dated signature of the Parties.

3.1.1 In no event will the total term of the contract, including the initial term, any renewal terms and any extensions, exceed 10 years.

3.1.2 Vendor shall not commence billable work in furtherance of the contract prior to final execution of the contract except when permitted pursuant to 30 ILCS 500/20-80.

3.2 RENEWAL:

3.2.1. Any renewal is subject to the same terms and conditions as the original contract unless otherwise provided in the pricing section. The State may renew this contract for any or all of the option periods specified, may exercise any of the renewal options early, and may exercise more than one option at a time based on continuing need and favorable market conditions, when in the best interest of the State. The contract may neither renew automatically nor renew solely at the Vendor's option.

3.2.2. Pricing for the renewal term(s), or the formula for determining price, is shown in the pricing section of this contract.

3.2.3. The State reserves the right to renew for a total of up to two years in any one of the following manners:

3.2.3.1 One renewal covering the entire renewal allowance;

3.2.3.2 Individual one-year renewals up to and including the entire renewal allowance; or

3.2.3.3 Any combination of full or partial year renewals up to and including the entire renewal allowance.

3.3 TERMINATION FOR CAUSE: The State may terminate this contract, in whole or in part, immediately upon notice to the Vendor if: (a) the State determines that the actions or inactions of the Vendor, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) the Vendor has notified the State that it is unable or unwilling to perform the contract.

If Vendor fails to perform to the State's satisfaction any material requirement of this contract, is in violation of a material provision of this contract, or the State determines that the Vendor lacks the financial resources to perform the contract, the State shall either: (i) terminate the contract effective immediately; or (ii) provide written notice to the Vendor to cure the problem identified within the period of time specified in such written notice and, if not cured by that date, the State may either: (a) immediately terminate the contract without additional written notice or (b) enforce the terms and conditions of the contract.

A termination of this contract will terminate the Vendor's ability to underwrite Tollway bonds or other debt from the date of such termination through the remaining term of the Senior Pool established by procurement process RFP#16-0155. A termination of this contract will not impact the Vendor's responsibilities in connection with any Tollway bond issuance or other transaction underwritten by the Vendor prior to any such termination of this contract.

For termination due to any of the causes contained in this Section, the State retains its rights to seek any available legal or equitable remedies and damages.

3.4 **TERMINATION FOR CONVENIENCE:** The State may, for its convenience and with 30 days prior written notice to Vendor, terminate this contract in whole or in part and without payment of any penalty or incurring any further obligation to the Vendor.

A termination of this contract will terminate the Vendor's ability to underwrite Tollway bonds or other debt from the date of such termination through the remaining term of the Senior Pool established by procurement process RFP#16-0155. A termination of this contract will not impact the Vendor's responsibilities in connection with any Tollway bond issuance or other transaction underwritten by the Vendor prior to any such termination of this contract.

3.5 **AVAILABILITY OF APPROPRIATION:** This contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if (1) the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason (30 ILCS 500/20-60), (2) the Governor decreases the Department's funding by reserving some or all of the Department's appropriation(s) pursuant to power delegated to the Governor by the Illinois General Assembly, or (3) the Department determines, in its sole discretion or as directed by the Office of the Governor, that a reduction is necessary or advisable based upon actual or projected budgetary considerations. Contractor will be notified in writing of the failure of appropriation or of a reduction or decrease.

4. STANDARD BUSINESS TERMS AND CONDITIONS

4.1 PAYMENT TERMS AND CONDITIONS:

4.1.1 Late Payment: Payments, including late payment charges, will be paid in accordance with the State Prompt Payment Act and rules when applicable. 30 ILCS 540; 74 Ill. Adm. Code 900. This shall be Vendor's sole remedy for late payments by the State. Payment terms contained on Vendor's invoices shall have no force and effect.

4.1.2 Minority Contractor Initiative: Any Vendor awarded a contract under Section 20-10, 20-15, 20-25 or 20-30 of the Illinois Procurement Code (30 ILCS 500) of $1,000 or more is required to pay a fee of $15. The Comptroller shall deduct the fee from the first check issued to the Vendor under the contract and deposit the fee in the Comptroller's Administrative Fund. 15 ILCS 405/23.9.

4.1.3 Expenses: The State will not pay for supplies provided or services rendered, including related expenses, incurred prior to the execution of this contract by the Parties even if the effective date of the contract is prior to execution.

4.1.4 Prevailing Wage: As a condition of receiving payment Vendor must (i) be in compliance with the contract, (ii) pay its employees prevailing wages when required by law, (iii) pay its suppliers and subcontractors according to the terms of their respective contracts, and (iv) provide lien waivers to the State upon request. Examples of prevailing wage categories include public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services. The prevailing wages are revised by the Department of Labor and are available on the Department's official website, which shall be deemed proper notification of any rate changes under this subsection. Vendor is responsible for contacting the Illinois Department of Labor to ensure understanding of prevailing wage requirements at 217-782-6206 or (http://www.state.il.us/agency/idol/index.htm).

4.1.5 Federal Funding: This contract may be partially or totally funded with Federal funds. If federal funds are expected to be used, then the percentage of the good/service paid using Federal funds and the total Federal funds expected to be used will be provided in the award notice.

4.1.6 Invoicing: By submitting an invoice, Vendor certifies that the supplies or services provided meet all requirements of the contract, and the amount billed and expenses incurred are as allowed in the contract. Invoices for supplies purchased, services performed and expenses incurred through June 30 of any year must be submitted to the State no later than July 31 of that year; otherwise Vendor may have to seek payment through the Illinois Court of Claims. 30 ILCS 105/25. All invoices are subject to statutory offset. 30 ILCS 210.

4.1.6.1 Vendor shall not bill for any taxes unless accompanied by proof that the State is subject to the tax. If necessary, Vendor may request the applicable Agency/University state tax exemption number and federal tax exemption information.

4.1.6.2 Vendor shall invoice at the completion of the contract unless invoicing is tied in the contract to milestones, deliverables, or other invoicing requirements agreed to in the contract.

Send invoices to:

Agency:	Illinois Tollway
Attn:	Finance Department
Address:	2700 Ogden Ave
City, State Zip	Downers Grove, Illinois 60515

4.2 **ASSIGNMENT**: This contract may not be assigned, transferred in whole or in part by Vendor without the prior written consent of the State.

4.3 **SUBCONTRACTING:** For purposes of this section, subcontractors are those specifically hired by the Vendor to perform all or part of the work covered by the contract. Vendor must receive prior written approval before use of any subcontractors in the performance of this contract. Vendor shall describe, in an attachment if not already provided, the names and addresses of all authorized subcontractors to be utilized by Vendor in the performance of this contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor is expected to receive pursuant to this contract. If required, Vendor shall provide a copy of any subcontracts within 15 days after execution of this contract. All subcontracts must include the same certifications that Vendor must make as a condition of this contract. Vendor shall include in each subcontract the subcontractor certifications as shown on the Standard Subcontractor Certification form available from the State. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, then Vendor must promptly notify, by written amendment to the Contract, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to the Contract.

4.4 **AUDIT/RETENTION OF RECORDS:** Vendor and its subcontractors shall maintain books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State pursuant the contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Vendor for a period of three years, or longer if necessary to comply with regulatory requirements, from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of three years, or longer if necessary to comply with regulatory requirements, from the later of final payment under the term or completion of the subcontract. If federal funds are used to pay contract costs, the Vendor and its subcontractors must retain its records for five years, or longer if necessary to comply with regulatory requirements. Books and records required to be maintained under this section shall be available for review or audit by representatives of: the procuring Agency/University, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Vendor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records as required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the purported disbursement. The Vendor or subcontractors shall not impose a charge for audit or examination of the Vendor's books and records. 30 ILCS 500/20-65.

4.5 **TIME IS OF THE ESSENCE:** Time is of the essence with respect to Vendor's performance of this contract. Vendor shall continue to perform its obligations while any dispute concerning the contract is being resolved unless otherwise directed by the State.

4.6 **NO WAIVER OF RIGHTS:** Except as specifically waived in writing, failure by a Party to exercise or enforce a right does not waive that Party's right to exercise or enforce that or other rights in the future.

4.7 **FORCE MAJEURE:** Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence, including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring Party may cancel the contract without penalty if performance does not resume within 30 days of the declaration.

4.8 **CONFIDENTIAL INFORMATION:** Each Party, including its agents and subcontractors, to this contract may have or gain access to confidential data or information owned or maintained by the other Party in the course of carrying out its responsibilities under this contract. Vendor shall presume all information received from the State or to which it gains access pursuant to this contract is confidential. Vendor information, unless clearly marked as confidential and exempt from disclosure under the Illinois Freedom of Information Act, shall be considered public. No confidential data collected, maintained, or used in the course of performance of the contract shall be disseminated except as authorized by law and with the written consent of the disclosing Party, either during the period of the contract or thereafter. The receiving Party must return any and all data collected, maintained, created or used in the course of the performance of the contract, in whatever form it is maintained, promptly at the end of the contract, or earlier at the request of the disclosing Party. The foregoing obligations shall not apply to confidential data or information lawfully in the receiving Party's possession prior to its acquisition from the disclosing Party; received in good faith from a third Party not subject to any confidentiality obligation to the disclosing Party; now is or later becomes publicly known through no breach of confidentiality obligation by the receiving Party; is independently developed by the receiving Party without the use or benefit of the disclosing Party's confidential information. In connection with any offering of securities by the Tollway in which Vendor is involved as an underwriter, agent, dealer or similar participant, nothing in this contract shall: (i) prevent Vendor from complying with all applicable disclosure laws, regulations and principles in connection with such offering; (ii) restrict the ability of Vendor to consider information for due diligence purposes or share information with other underwriters, agents or dealers participating in such offering; (iii) prevent Vendor from retaining documents or other information in connection with due diligence; (iv) prevent Vendor from using any such documents or other information in investigating or defending itself against claims made or threatened by purchasers, regulatory authorities or others in connection with such offering. Any provision of this section that conflicts with the Vendor's disclosure obligations under state or federal securities laws or rules is excepted from this section.

4.9 **USE AND OWNERSHIP:** All work performed or supplies created by Vendor under this contract, whether written documents or data, goods or deliverables of any kind, shall be deemed work for hire under copyright law and all intellectual property and other laws, and the State of Illinois is granted sole and exclusive ownership to all such work, unless otherwise agreed in writing. Vendor hereby assigns to the State all right, title, and interest in and to such work including any related intellectual property rights, and/or waives any and all claims that Vendor may have to such work including any so-called "moral rights" in connection with the work. Vendor acknowledges the State may use the work product for any purpose. Confidential data or information contained in such work shall be subject to confidentiality provisions of this contract.

4.10 **INDEMNIFICATION:** The Vendor shall indemnify and hold harmless the State of Illinois, The Illinois State Tollway Highway Authority, its officers, employees, and agents from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements, and judgments, including in-house and contracted attorneys' fees and expenses, arising out of: (a) any breach or violation by Vendor of any of its certifications, representations, warranties, covenants or agreements; (b) any actual or alleged death or injury to any person, damage to any real or personal property, or any other damage or loss claimed to result in whole or in part from Vendor's negligent performance; (c) any act, activity or omission of Vendor or any of its employees, representatives, subcontractors or agents; or (d) any actual or alleged claim that the services or goods provided under this contract infringe, misappropriate, or otherwise violate any intellectual property (patent, copyright, trade secret, or trademark) rights of a third party.

4.11 **INSURANCE:** The Vendor shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work by the Vendor, his/her agents, representatives, employees or subcontractors. Work shall not commence until insurance required by this section has been obtained and documentation submitted to the Tollway for acceptance. All coverages must be with Insurance Companies with an A.M. Best Company financial strength rating of "A minus" or better. Insurance coverage shall not limit Vendor's obligation to indemnify, defend or settle any claims.

A. Minimum Scope of Insurance Coverage shall be at least as broad as:
   1. Commercial General Liability coverage on an unmodified, Insurance Service Office "Occurrence" form, current edition or an alternative form providing equivalent protection.
   2. Automobile Liability on an unmodified, Insurance Service Office form, current edition or an alternative form providing equivalent protection.
   3. Worker's Compensation insurance as required by the State of Illinois and including Employers Liability.

B. Minimum Limits of Insurance Contractor or vendor shall maintain no less than:
   1. Commercial General Liability: $1,000,000 each occurrence for bodily injury, personal injury, and property damage and $2,000,000 general aggregate and $2,000,000 products/completed operations aggregate.
   2. Automobile Liability: $1,000,000 combined single limit per accident for bodily injury and property damage.
   3. Worker's Compensation and Employers Liability: Statutory Limits with Employers Liability limit of not less than $500,000 per occurrence.

In addition to the above, the Vendor shall maintain, for the duration of the contract, professional liability insurance in a minimum amount of the greater of $1,000,000 and any higher amount required by law or regulatory authority. Work shall not commence until documentation acceptable to the Tollway evidencing such professtional liability insurance has been provided.

The Illinois State Toll Highway Authority including all appointed officials and employees, shall be named "Additional Insured" as part of the commercial general liability and automobile liability coverage. This coverage shall be primary for the Additional Insured and not contributing with any other insurance or similar protection available to the Additional Insured, whether said other coverage be primary, contributing or excess.

All deductibles or self-insured retentions must be declared and recognized by the Authority. Proof of insurance shall include originals of the applicable "additional insured" endorsements for approval of the Authority. Any failure by the Authority to request proof of insurance will not waive the requirement of maintenance of minimum protection specified.

4.12 INDEPENDENT CONTRACTOR: Vendor shall act as an independent contractor and not an agent or employee of, or joint venture with the State. All payments by the State shall be made on that basis.

4.13 SOLICITATION AND EMPLOYMENT: Vendor shall not employ any person employed by the State during the term of this contract to perform any work under this contract. Vendor shall give notice immediately to the Agency's director if Vendor solicits or intends to solicit State employees to perform any work under this contract.

4.14 COMPLIANCE WITH THE LAW: The Vendor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations, orders, federal circulars and all license and permit requirements in the performance of this contract. Vendor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes. Vendor shall obtain at its own expense, all licenses and permissions necessary for the performance of this contract.

4.15 BACKGROUND CHECK: Whenever the State deems it reasonably necessary for security reasons, the State may conduct, at its expense, criminal and driver history background checks of Vendor's and subcontractors officers, employees or agents. Vendor or subcontractor shall reassign immediately any such individual who, in the opinion of the State, does not pass the background check.

4.16 APPLICABLE LAW: This contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois. The Department of Human Rights' Equal Opportunity requirements (44 Ill. Adm. Code 750) are incorporated by reference. Any claim against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1. The State shall not enter into binding arbitration to resolve any contract dispute. The State of Illinois does not waive sovereign immunity by entering into this contract. The official text of cited statutes is incorporated by reference. An unofficial version can be viewed at (www.ilga.gov/legislation/ilcs/ilcs.asp).

4.17 ANTI-TRUST ASSIGNMENT: If Vendor does not pursue any claim or cause of action it has arising under federal or state antitrust laws relating to the subject matter of the contract, then upon request of the Illinois Attorney General, Vendor shall assign to the State rights, title and interest in and to the claim or cause of action.

4.18 CONTRACTUAL AUTHORITY: The Agency that signs for the State of Illinois shall be the only State entity responsible for performance and payment under the contract. When the Chief Procurement Officer or authorized designee signs in addition to an Agency, they do so as approving officer and shall have no liability to Vendor. When the Chief Procurement Officer or authorized designee, or State Purchasing Officer signs a master contract on behalf of State agencies, only the Agency that places an order with the Vendor shall have any liability to Vendor for that order.

4.19 **NOTICES:** Notices and other communications provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by courier (UPS, Federal Express or other similar and reliable carrier), by e-mail, or by fax showing the date and time of successful receipt. Notices shall be sent to the individuals who signed the contract using the contact information following the signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either Party may change the contact information.

4.20 **MODIFICATIONS AND SURVIVAL:** Amendments, modifications and waivers must be in writing and signed by authorized representatives of the Parties. Any provision of this contract officially declared void, unenforceable, or against public policy, shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive termination. In the event of a conflict between the State's and the Vendor's terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.

4.21 **PERFORMANCE RECORD / SUSPENSION:** Upon request of the State, Vendor shall meet to discuss performance or provide contract performance updates to help ensure proper performance of the contract. The State may consider Vendor's performance under this contract and compliance with law and rule to determine whether to continue the contract, suspend Vendor from doing future business with the State for a specified period of time, or to determine whether Vendor can be considered responsible on specific future contract opportunities.

4.22 **FREEDOM OF INFORMATION ACT:** This contract and all related public records maintained by, provided to or required to be provided to the State are subject to the Illinois Freedom of Information Act (FOIA) (50 ILCS 140) notwithstanding any provision to the contrary that may be found in this contract.

4.23 **SCHEDULE OF WORK:** Any work performed on State premises shall be done during the hours designated by the State and performed in a manner that does not interfere with the State and its personnel.

4.24 **WARRANTIES FOR SUPPLIES AND SERVICES:**

4.24.1. Vendor warrants that the supplies furnished under this contract will: (a) conform to the standards, specifications, drawing, samples or descriptions furnished by the State or furnished by the Vendor and agreed to by the State, including but not limited to all specifications attached as exhibits hereto; (b) be merchantable, of good quality and workmanship, and free from defects for a period of twelve months or longer if so specified in writing, and fit and sufficient for the intended use; (c) comply with all federal and state laws, regulations and ordinances pertaining to the manufacturing, packing, labeling, sale and delivery of the supplies; (d) be of good title and be free and clear of all liens and encumbrances and; (e) not infringe any patent, copyright or other intellectual property rights of any third party. Vendor agrees to reimburse the State for any losses, costs, damages or expenses, including without limitations, reasonable attorney's fees and expenses, arising from failure of the supplies to meet such warranties.

4.24.2. Vendor shall insure that all manufacturers' warranties are transferred to the State and shall provide a copy of the warranty. These warranties shall be in addition to all other warranties, express, implied or statutory, and shall survive the State's payment, acceptance, inspection or failure to inspect the supplies.

4.24.3. Vendor warrants that all services will be performed to meet the requirements of the contract in an efficient and effective manner by trained and competent personnel. Vendor shall monitor performances of each individual and shall reassign immediately any individual who is not performing in accordance with the contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the contract or State policies.

4.25 **REPORTING, STATUS AND MONITORING SPECIFICATIONS:** Vendor shall immediately notify the State of any event that may have a material impact on Vendor's ability to perform the contract.

4.26 **EMPLOYMENT TAX CREDIT:** Vendors who hire qualified veterans and certain ex-offenders may be eligible for tax credits. 35 ILCS 5/216, 5/217. Please contact the Illinois Department of Revenue (telephone #: 217-524-4772) for information about tax credits.

5. SUPPLEMENTAL PROVISIONS

5.1. STATE SUPPLEMENTAL PROVISIONS

☐ Illinois Tollway Definitions

Click here to enter text.

☐ Required Federal Clauses, Certifications and Assurances

Click here to enter text.

☐ Public Works Requirements (construction and maintenance of a public work) 820 ILCS 130/4.

Click here to enter text.

☐ Prevailing Wage (janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, and security services, if valued at more than $200 per month or $2,000 per year or printing) 30 ILCS 500/25-60.

Click here to enter text.

☐ Illinois Tollway Specific Terms and Conditions

Click here to enter text.

☐ Other (describe)

Click here to enter text.

5.2. TOLLWAY SUPPLEMENTAL PROVISIONS:

☐ Definitions

☐ Required Federal Clauses, Certifications and Assurances

☐ ARRA Requirements (American Recovery and Reinvestment Act of 2009)

☐ Public Works Requirements <u>(construction and maintenance of a public work)</u> (820 ILCS 130/4)

☐ Prevailing Wage (janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, and security services, if valued at more than $200 per month or $2000 per year (30 ILCS 500/25-60)

☐ Prevailing Wage (all printing contracts) (30 ILCS 500/25-60)

☐ BEP Subcontracting Requirements (Utilization Plan and Letter of Intent)

☒ PAYMENT OF TOLLS: The Vendor shall be required to pay the full amount of tolls, if any, incurred by it during the duration of the contract. Said tolls will not be refunded by the Illinois Tollway. Furthermore, in the event that a final determination is made by the Illinois Tollway that the Contractor has failed to pay any required tolls and associated fines, the Illinois Tollway is authorized to take steps necessary to withhold the amounts of the unpaid tolls and fines from any payment due the contractor by the Illinois Tollway and/or other Tollway of Illinois office, department, commission, board or agency.

5.3 AGENCY SUPPLEMENTAL TERMS AND CONDITIONS:

5.3.1 Order of Precedence:
With respect to any inconsistency or conflict, the following order of precedence shall prevail:

1. Sections 1-7 of this Contract
2. The Vendor's Response to the RFP including Vendor submissions subsequent to the initial proposal that were part of the negotiation process, to the extent applicable and agreed upon (included in Section 8 of this Contract)
3. The RFP, including any addendum thereto (also included in Section 8 of this Contract)

NOTE: This contract establishes the terms and conditions under which the Vendor is available to be assigned by the Tollway, on an as-needed basis as determined by the Tollway, to underwrite Tollway bonds or other debt. Any such underwriting shall be pursuant to a bond purchase agreement or other appropriate form of agreement entered into by the Vendor and the Tollway at the time the Vendor underwrites the Tollway bonds or other debt. Such bond purchase agreement or other appropriate form of agreement shall be the exclusive agreement governing any such underwriting with respect to each party's performance, duties, rights, responsibilities, obligations and liabilities.

5.3.2 Agents and Employees:
Vendor shall be responsible for the negligent acts and omissions of its agents, employees and if applicable, subcontractors in their performance of Vendor's duties under this Contract. Vendor represents that it shall utilize the services of individuals skilled in the profession for which they will be used in performing services or supplying goods hereunder. In the event that the Tollway/Buyer determines that any individual performing services or supplying goods for Vendor hereunder is not providing such skilled services or delivery of goods, it shall promptly notify the Vendor and the Vendor shall replace that individual.

5.3.3 Publicity:
Vendor shall not, in any advertisement or any other type of solicitation for business, state, indicate or otherwise imply that it is under contract to the Tollway/Buyer nor shall the Tollway/Buyer's name be used in any such advertisement or solicitation without prior written approval except as required by law.

5.3.4 Consultation:
Vendor shall keep the Tollway/Buyer fully informed as to the progress of matters covered by this Contract. Where time permits and Vendor is not otherwise prohibited from so doing, Vendor shall offer the Tollway/Buyer the opportunity to review relevant documents prior to filing with any public body or adversarial party.

5.3.5 Third Party Beneficiaries:
There are no third party beneficiaries to this Contract. This Contract is intended only to benefit the Tollway/Buyer and the Vendor.

5.3.6 Successors in Interest:
All the terms, provisions, and conditions of the Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

5.3.7 Vendor's Termination Duties:
The Vendor, upon receipt of notice of termination or upon request of the Tollway/Buyer, shall:

5.3.7.1 Cease work under this Contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within thirty (30) days of the date of notice of termination, describing the status of all work under the Contract, including, without limitation, results accomplished, conclusions resulting there from, any other matters the Tollway/Buyer may require;

5.3.7.2 Immediately cease using and return to the Tollway/Buyer any personal property or materials, whether tangible or intangible, provided by the Tollway/Buyer to the Vendor;

5.3.7.3 Comply with the Tollway/Buyer's instructions for the timely transfer of any active files and work product produced by the Vendor under this Contract;

5.3.7.4 Cooperate in good faith with the Tollway/Buyer, its employees, agents and contractors during the transition period between the notification of termination and the substitution of any replacement contractor;

5.3.7.5 Immediately return to the Tollway/Buyer any payments made by the Tollway/Buyer for services that were not rendered by the Vendor.

5.3.8. Inspector General:
The Vendor/Contractor hereby acknowledges that pursuant to Section 8.5 of the Toll Highway Act (605 ILCS 10/8.5) the Inspector General of The Illinois State Toll Highway Authority has the authority to conduct investigations into certain matters including but not limited to allegations of fraud, waste and abuse, and to conduct reviews. The Vendor/Contractor will fully cooperate in any OIG investigation or review. Cooperation includes providing access to all information and documentation related to the goods/services described in this Agreement, and disclosing and making available all personnel involved or connected with these goods/services or having knowledge of these goods/services. All subcontracts must inform Subcontractors of this provision and their duty to comply.

5.4 OVERTIME:
Not applicable. If overtime is contemplated and provided for in this contract, all work performed by Vendor at overtime rates shall be pre-approved by the Tollway/Buyer.

5.5 VENUE AND ILLINOIS LAW:
Any claim against the Tollway arising out of this contract must be filed exclusively with Circuit Court for the Eighteenth Judicial Circuit, DuPage County, Illinois for State claims and the U.S. District Court for the Northern District of Illinois for Federal claims.

5.5.1 Whenever "State" is used or referenced in this Contract, it shall be interpreted to mean the Illinois State Toll Highway Authority.

5.5.2 The State Prompt Payment Act (30 ILCS 40) does not apply to the Tollway. Therefore, the first two sentences of paragraph 4.1.1 are deleted.

5.5.3. The Tollway is not currently an annually appropriated agency. Therefore, to the extent paragraph 3.5 concerns the Tollway being an annually appropriated agency, it does not apply.

5.5.4. The second sentence ofparagraph 4.1.6 does not apply to the Tollway and is deemed stricken.

5.6 REPORT OF A CHANGE IN CIRCUMSTANCES:
The Vendor agrees to report to the Tollway as soon as practically possible, but no later than 21 days following any change in facts or circumstances that might impact the Vendor's ability to satisfy its legal or contractual responsibilities and obligations under this contract. Required reports include, but are not limited to, changes in the Vendor's Certification/Disclosure Forms, the Vendor's IDOT pre-qualification (if/as applicable), or any certification or licensing required for this project. Additionally, Vendor agrees to report to the Tollway within the above timeframe any arrests, indictments, convictions or other matters

involving the Vendor, or any of its principals, that might occur while this contract is in effect. This reporting requirement does not apply to common offenses, including but not limited to minor traffic/vehicle offenses.

Further, the Vendor agrees to incorporate substantially similar reporting requirements into the terms of any and all subcontracts relating to work performed under this agreement. The Vendor agrees to forward or relay to the Tollway any reports received from subcontractors pursuant to this paragraph within 21 days.

Finally, the Vendor acknowledges and agrees that the failure of the Vendor to comply with this reporting requirement shall constitute a material breach of contract which may result in this contract being declared void.

STATE OF ILLINOIS
TAXPAYER IDENTIFICATION NUMBER

I certify that:

The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and

I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and

I am a U.S. person (including a U.S. resident alien).

- If you are an individual, enter your name and SSN as it appears on your Social Security Card.
- If you are a sole proprietor, enter the owner's name on the name line followed by the name of the business and the owner's SSN or EIN.
- If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's name on the name line and the D/B/A on the business name line and enter the owner's SSN or EIN.
- If the LLC is a corporation or partnership, enter the entity's business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).
- For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.

Name: PNC Capital Markets LLC

Business Name: PNC Capital Markets LLC

Taxpayer Identification Number:

Social Security Number: N/A

or

Employer Identification Number [redacted]

Legal Status (check one):

☐ Individual	☐ Governmental
☐ Sole Proprietor	☐ Nonresident alien
☐ Partnership	☐ Estate or trust
☐ Legal Services Corporation	☐ Pharmacy (Non-Corp.)
☐ Tax-exempt	☐ Pharmacy/Funeral Home/Cemetery (Corp.)
☐ Corporation providing or billing medical and/or health care services	☒ Limited Liability Company (select applicable tax classification)
☐ Corporation NOT providing or billing medical and/or health care services	☒ C = corporation ☐ P = partnership

Signature of Authorized Representative: [redacted]

Date: 1/31/2017

STATE OF ILLINOIS
FORMS A

A vendor responding to a solicitation by the State of Illinois must return the information requested within this section with their bid or offer if they are not registered in the Illinois Procurement Gateway (IPG). Failure to do so may render their bid or offer non-responsive and result in disqualification.

Please read this entire Forms A and provide the requested information as applicable and per the instructions. All forms and signature areas contained in this Forms A must be completed in full and submitted along with the bid in an Invitation for Bid; and completed in full and submitted along with the technical response and price proposal, which combined will constitute the Offer, in a Request for Proposal.

Vendor Name: PNC Capital Markets LLC	Phone: 312-338-2262
Street Address: One North Franklin Street, 29th Floor	Email: elizabeth.coolidge@pnc.com
City, State Zip: Chicago, IL 60606	Vendor Contact: Elizabeth Coolidge

OUTLINE

FORMS A

Complete this section if you are <u>not</u> using an IPG (Illinois Procurement Gateway) Registration #

STATE OF ILLINOIS
BUSINESS AND DIRECTORY INFORMATION

1.1. Name of Business (official name and DBA)

PNC Capital Markets LLC

1.2. Business Headquarters (address, phone and fax)

The Tower at PNC Plaza, 300 Fifth Avenue

Pittsburgh, PA 15222

412-645-5012

412-705-2682

1.3. If a Division or Subsidiary of another organization provide the name and address of the parent

PNCCM is 100% owned by PNC Holding LLC which, in turn, is 100% owned by The PNC Financial Services Group, Inc. The addresses for these organizations are listed below.

PNC Holding LLC 222 Delaware Avenue Wilmington, DE 19801	The PNC Financial Services Group, Inc. The Tower at PNC Plaza, 300 Fifth Avenue Pittsburgh, PA 15222

1.4. Billing Address

The Tower at PNC Plaza, 300 Fifth Avenue

Pittsburgh, PA 15222

1.5. Name of Chief Executive Officer

Charlotte McLaughlin

1.6. Company Web Site Address

www.pnc.com

1.7. Type of Organization (sole proprietor, corporation, etc.--should be same as on Taxpayer ID form below)

Limited Liability Corporation

1.8. Length of time in business

11 years
Note: PNCCM was formed from a previous legal entity which has been regulated by FINRA since 3/5/1985.

1.9. Annual Sales for Offeror's most recently completed fiscal year

Total Net Revenue for Year Ended 12/31/2015: $230.7 million (Year Ended 12/31/2016 Not Yet Available)

1.10. Show number of full-time employees, on average, during the most recent fiscal year

270 employees (as of Fiscal Year 2015; Fiscal Year 2016 Not Yet Available)

1.11. Is your company at least 51% owned and controlled by individuals in one of the following categories? If "Yes," please check the category that applies: N/A

1.11.1. Minority (30 ILCS 575/2(A)(1) & (3)) ☐ Yes

1.11.2. Female (30 ILCS 575/2(A)(2) & (4)) ☐ Yes

1.11.3. Person with Disability (30 ILCS 575/2(A)(2.05) & (2.1)) ☐ Yes

1.11.4. Disadvantaged (49 CFR 26) ☐ Yes

1.11.5. Veteran (30 ILCS 500/45-57) ☐ Yes

STATE OF ILLINOIS

ILLINOIS DEPARTMENT OF HUMAN RIGHTS PUBLIC CONTRACT NUMBER

2.1. If Offeror employed fifteen or more full-time employees at the time of submission of their response to this solicitation or any time during the previous 365-day period leading up to submission, it must have a current IDHR Public Contract Number or have proof of having submitted a completed application for one **prior** to the solicitation opening date. 775 ILCS 5/2-101. If the Agency/University cannot confirm compliance, it will not be able to consider a Vendor's bid or offer. Please complete the appropriate sections below:

Name of Company (and DBA): The PNC Financial Services Group, Inc.

DBA: PNC Capital Markets LLC

☐ (check if applicable) The number is not required as the company has not met or exceeded the number of employees that makes registration necessary under the requirements of the Human Rights Act described above.

IDHR Public Contracts Number: 12947300 Expiration Date: 3/17/2019.

2.2. If number has not yet been issued, provide the date a completed application for the number was submitted to IDHR: N/A.

2.3. Upon expiration and until their Contractor Identification Number is renewed, companies will not be eligible to be awarded contracts by the State of Illinois or other jurisdictions that require a current IDHR number as a condition of contract eligibility. 44 ILL. ADM. CODE 750.210(a).

2.4. Numbers issued by the Department of Human Rights (or its predecessor agency, the Illinois Fair Employment Practices Commission) prior to July 1, 1998 are no longer valid. This affects numbers below 89999-00-0. Valid numbers begin with 900000-00-0.

2.5. If Offeror's organization holds an expired number, it must re-register with the Department of Human Rights.

2.6. Offeror may obtain an application form by:

2.6.1. Telephone: Call the IDHR Public Contracts Unit at (312) 814-2431 between Monday and Friday, 8:30 AM - 5:00 PM, CST. (TDD (312) 263-1579).

2.6.2. Internet: You may download the form from the Department of Human Rights' website at (http://www2.illinois.gov/dhr/PublicContracts/Pages/default.aspx).

2.6.3. Mail: Write to the Department of Human Rights, Public Contracts Unit, 100 West Randolph Street, Suite 10-100, Chicago, IL 60601.

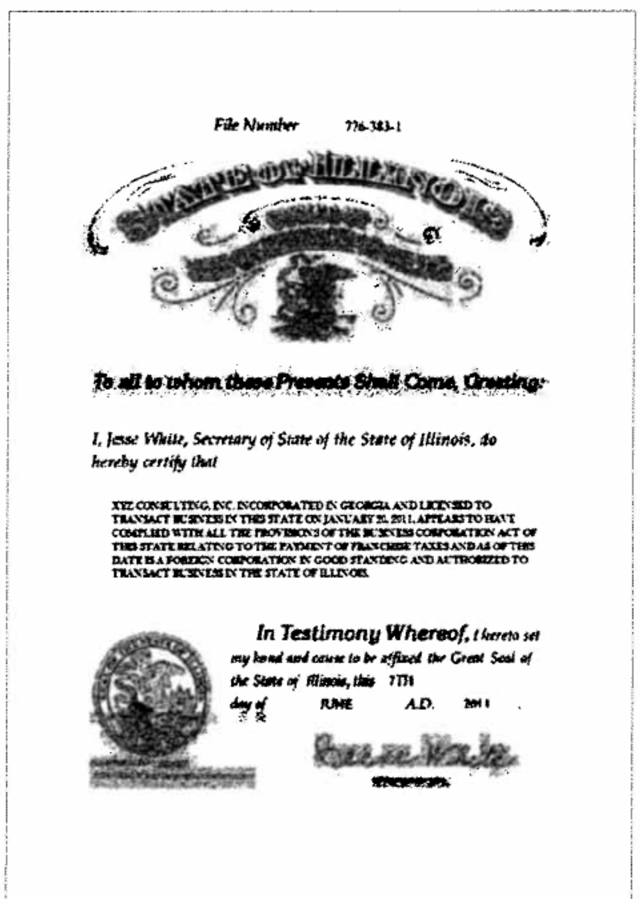
STATE OF ILLINOIS
AUTHORIZED TO TRANSACT BUSINESS OR CONDUCT AFFAIRS IN ILLINOIS

3. A person, other than an individual acting as a sole proprietor, must be a duly constituted legal entity and authorized to transact business or conduct affairs in Illinois prior to submitting an offer. 30 ILCS 500/20-43. Offerors must review and complete certification #4.32 in the Standard Certifications found in Forms A, Part 4.

   Certification #4.32 requires Vendor to check one of two boxes representing its status. The State may request evidence from a vendor that certifies it is authorized to do business in Illinois proving such authorization. Failure to produce evidence in a timely manner may be considered grounds for determining Vendor non-responsive or not responsible.

   For information on registering to transact business or conduct affairs in Illinois, please visit the Illinois Secretary of State's Department of Business Services at their website at (http://cyberdriveillinois.com/departments/business_services/home.html) or your home county clerk.

EVIDENCE OF BEING AUTHORIZED TO TRANSACT BUSINESS OR CONDUCT AFFAIRS IS THE SECRETARY OF STATE'S CERTIFICATE OF GOOD STANDING



File Number 776-383-1

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

XYZ CONSULTING, INC. INCORPORATED IN GEORGIA AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON JANUARY 20, 2011, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES AND AS OF THIS DATE IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 7TH *day of* JUNE A.D. 2011 .

File Number 0283186-4

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

PNC CAPITAL MARKETS LLC, A PENNSYLVANIA LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JUNE 24, 2009, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 18TH *day of* JANUARY *A.D.* 2017 .

Authentication #: 1701802058 verifiable until 01/18/2018
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

STATE OF ILLINOIS
STANDARD CERTIFICATIONS

Vendor acknowledges and agrees that compliance with this subsection in its entirety for the term of the contract and any renewals is a material requirement and condition of this contract. By executing this contract Vendor certifies compliance with this subsection in its entirety, and is under a continuing obligation to remain in compliance and report any non-compliance.

This subsection, in its entirety, applies to subcontractors used on this contract. Vendor shall include these Standard Certifications in any subcontract used in the performance of the contract using the Standard Certification form provided by the State.

If this contract extends over multiple fiscal years, including the initial term and all renewals, Vendor and its subcontractors shall confirm compliance with this section in the manner and format determined by the State by the date specified by the State and in no event later than July 1 of each year that this contract remains in effect.

If the Parties determine that any certification in this section is not applicable to this contract it may be stricken without affecting the remaining subsections.

4.1. As part of each certification, Vendor acknowledges and agrees that should Vendor or its subcontractors provide false information, or fail to be or remain in compliance with the Standard Certification requirements, one or more of the following sanctions will apply:

- the contract may be void by operation of law,
- the State may void the contract, and
- the Vendor and it subcontractors may be subject to one or more of the following: suspension, debarment, denial of payment, civil fine, or criminal penalty.

Identifying a sanction or failing to identify a sanction in relation to any of the specific certifications does not waive imposition of other sanctions or preclude application of sanctions not specifically identified.

4.2. Vendor certifies it and its employees will comply with applicable provisions of the United States Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act, and applicable rules in performance of this contract.

4.3. Vendor, if an individual, sole proprietor, partner or an individual as member of a LLC, certifies he/she is not in default on an educational loan. 5 ILCS 385/3.

4.4. Vendor, if an individual, sole proprietor, partner or an individual as member of a LLC, certifies it he/she has not received (i) an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code or (ii) an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code. 30 ILCS 105/15a; 40 ILCS 5/14-108.3; 40 ILCS 5/16-133.

4.5. Vendor certifies that it is a legal entity authorized to do business in Illinois prior to submission of a bid, offer, or proposal. 30 ILCS 500/1-15.80, 20-43.

4.6. To the extent there was a current Vendor providing the services covered by this contract and the employees of that Vendor who provided those services are covered by a collective bargaining agreement, Vendor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer; and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit who perform substantially similar work to the work that will be performed pursuant to this contract. This does not apply to heating, air conditioning, plumbing and electrical service contracts. 30 ILCS 500/25-80.

4.7. Vendor certifies it has neither been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor made an admission of guilt of such conduct that is a matter of record. 30 ILCS 500/50-5.

4.8. If Vendor has been convicted of a felony, Vendor certifies at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business. 30 ILCS 500/50-10.

4.9. If Vendor or any officer, director, partner, or other managerial agent of Vendor has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, Vendor certifies at least five years have passed since the date of the conviction. Vendor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the contract void if this certification is false. 30 ILCS 500/50-10.5.

4.10. Vendor certifies it is not barred from having a contract with the State based upon violating the prohibitions related to either submitting/writing specifications or providing assistance to an employee of the State of Illinois by reviewing, drafting, directing, or preparing any invitation for bids, a request for proposal, or request of information, or similar assistance (except as part of a public request for such information). 30 ILCS 500/50-10.5(e), *amended* by Pub. Act No. 97-0895 (August 3, 2012).

4.11. Vendor certifies that it and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Vendor and its affiliates acknowledge the State may declare the contract void if this certification is false or if Vendor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt. 30 ILCS 500/50-11, 50-60.

4.12. Vendor certifies that it and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act and acknowledges that failure to comply may result in the contract being declared void. 30 ILCS 500/50-12.

4.13. Vendor certifies that it has not been found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act within the last five years, and is therefore not barred from being awarded a contract. 30 ILCS 500/50-14.

4.14. Vendor certifies it has neither paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract. 30 ILCS 500/50-25.

4.15. Vendor certifies it is not in violation of the "Revolving Door" provisions of the Illinois Procurement Code. 30 ILCS 500/50-30.

4.16. Vendor certifies that it has not retained a person or entity to attempt to influence the outcome of a procurement decision for compensation contingent in whole or in part upon the decision or procurement. 30 ILCS 500/50-38.

4.17. Vendor certifies that if it has hired a person required to register under the Lobbyist Registration Act to assist in obtaining any State contract, that none of the lobbyist's costs, fees, compensation, reimbursements, or other remuneration were billed to the State. 30 ILCS 500\50-38.

4.18. Vendor certifies it will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers, or employees of the State. 30 ILCS 500/50-40, 50-45, 50-50.

4.19. Vendor certifies steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring Agency/University grants an exception. 30 ILCS 565.

4.20. Drug Free Workplace

4.20.1. If Vendor employs 25 or more employees and this contract is worth more than $5,000, Vendor certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act.

4.20.2. If Vendor is an individual and this contract is worth more than $5000, Vendor certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the contract. 30 ILCS 580.

4.21. Vendor certifies that neither Vendor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the United States. Department of Commerce. 30 ILCS 582.

4.22. Vendor certifies it has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States. 720 ILCS 5/33 E-3, E-4.

4.23. Vendor certifies it complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, which include providing equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies. 775 ILCS 5/2-105.

4.24. Vendor certifies it does not pay dues to or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club." 775 ILCS 25/2.

4.25. Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been or will be produced in whole or in part by forced labor or indentured labor under penal sanction. 30 ILCS 583.

4.26. Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been produced in whole or in part by the labor of any child under the age of 12. 30 ILCS 584.

4.27. Vendor certifies that any violation of the Lead Poisoning Prevention Act, as it applies to owners of residential buildings, has been mitigated. 410 ILCS 45.

4.28. Vendor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Vendors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over $25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

4.29. Vendor certifies that information technology, including electronic information, software, systems and equipment, developed or provided under this contract comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at (www.dhs.state.il.us/iitaa) 30 ILCS 587.

4.30. Vendor certifies that it has read, understands, and is in compliance with the registration requirements of the Elections Code (10 ILCS 5/9-35) and the restrictions on making political contributions and related requirements of the Illinois Procurement Code. 30 ILCS 500/20-160 and 50-37. Vendor will not make a political contribution that will violate these requirements.

In accordance with section 20-160 of the Illinois Procurement Code, Vendor certifies as applicable:

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

or

☒ Vendor has registered with the State Board of Elections. As a registered business entity, Vendor acknowledges a continuing duty to update the registration as required by the Act.

4.31. Vendor certifies that if it is awarded a contract through the use of the preference required by the Procurement of Domestic Products Act, then it shall provide products pursuant to the contract or a subcontract that are manufactured in the United States. 30 ILCS 517.

4.32. A person (other than an individual acting as a sole proprietor) must be a duly constituted legal entity and authorized to transact business or conduct affairs in Illinois prior to submitting a bid or offer. 30 ILCS 500/20-43. If you do not meet these criteria, then your bid or offer will be disqualified.

Vendor must make one of the following two certifications by checking the appropriate box.

A. ☐ Vendor certifies it is an individual acting as a sole proprietorand is therefore not subject to the requirements of section 20-43 of the Procurement Code.

B. ☒ Vendor certifies that it is a legal entity, and was authorized to transact business or conduct affairs in Illinois as of the date for submitting this bid or offer. The State may require Vendor to provide evidence of compliance before award.

4.33. Vendor certifies that, for the duration of this contract it will:

- post its employment vacancies in Illinois and border states on the Department of Employment Security's IllinoisJobLink.com website or its successor system; or
- will provide an online link to these employment vacancies so that this link is accessible through the IllinoisJobLink.com website it successor system; or
- is exempt from 20 ILCS 1005/1005-47 because the contract is for construction-related services as that term is defined in section 1-15.20 of the Procurement Code; or the contract is for construction and vendor is a party to a contract with a bona fide labor organization and performs construction. (20 ILCS 1005/1005-47).

5. Section 50-37 of the Illinois Procurement Code prohibits political contributions of certain vendors, bidders and offerors. Additionally, section 9-35 of the Illinois Election Code governs provisions relating to reporting and making contributions to state officeholders, declared candidates for State offices and covered political organizations that promote the candidacy of an officeholder or declared candidate for office. The State may declare any resultant contract void if these Acts are violated.

Generally, if a vendor, bidder, or offeror is an entity doing business for profit (i.e. sole proprietorship, partnership, corporation, limited liability company or partnership, or otherwise) and has contracts with State agencies that annually total more than $50,000 or whose aggregate pending bids or proposals and current State contracts that total more than $50,000, the vendor, bidder, or offeror is prohibited from making political contributions and must register with the State Board of Elections. 30 ILCS 500/20-160.

EVIDENCE OF REGISTRATION WITH THE STATE BOARD OF ELECTIONS IS THE CERTIFICATE OF REGISTRATION

Certificate of Registration

STATE BOARD OF ELECTIONS

Registration No. 138

ABC Corporation

123 Main Street

Anywhere, IL USA 62707

Information for this business last updated on:

Wednesday, October 13, 2010

Certificate of Registration

STATE BOARD OF ELECTIONS

Registration No. 13805

PNC Capital Markets, LLC

225 Fifth Avenue
5th Floor
Pittsburgh PA 15222

Information for this business last updated on:

Wednesday, October 12, 2016

Certificate produced on Wednesday, January 18, 2017 at 8:37 AM

STATE OF ILLINOIS
DISCLOSURE OF BUSINESS OPERATIONS WITH IRAN

6. In accordance with 30 ILCS 500/50-36, each bid, offer, or proposal submitted for a State contract, other than a small purchase defined in Section 20-20 of the Illinois Procurement Code, will include a disclosure of whether or not the bidder, offeror, or proposing entity, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid, offer, or proposal had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran and:

   - more than 10% of the company's revenues produced in or assets located in Iran involve oil-related activities or mineral-extraction activities; less than 75% of the company's revenues produced in or assets located in Iran involve contracts with or provision of oil-related or mineral – extraction products or services to the Government of Iran or a project or consortium created exclusively by that Government; and the company has failed to take substantial action; or

   - the company has, on or after August 5, 1996, made an investment of $20 million or more, or any combination of investments of at least $10 million each that in the aggregate equals or exceeds $20 million in any 12- month period that directly or significantly contributes to the enhancement of Iran's ability to develop petroleum resources of Iran.

A bid or offer that does not include this disclosure may be given a period after the bid or offer is submitted to cure non-disclosure. A chief procurement officer may consider the disclosure when evaluating the bid or offer or awarding the contract.

☒ There are no business operations that must be disclosed to comply with the above cited law.

☐ The following business operations are disclosed to comply with the above cited law: N/A

STATE OF ILLINOIS
FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

The Financial Disclosures and Conflicts of Interest form ("form") must be accurately completed and submitted by the vendor, parent entity(ies), and subcontractors. There are **nine** steps to this form and each must be completed as instructed in the step heading and within the step. A bid or offer that does not include this form shall be considered non-responsive. The Agency/University will consider this form when evaluating the bid or offer or awarding the contract.

The requirement of disclosure of financial interests and conflicts of interest is a continuing obligation. If circumstances change and the disclosure is no longer accurate, then disclosing entities must provide an updated form.

Separate forms are required for the vendor, parent entity(ies), and subcontractors.

This disclosure is submitted for:

☒ Vendor

☐ Vendor's Parent Entity(ies) (100% ownership)

☐ Subcontractor(s) >$50,000 (annual value)

☐ Subcontractor's Parent Entity(ies) (100% ownership) > $50,000 (annual value)

Project Name	Bond Underwriting Services
Illinois Procurement Bulletin Number	22039948
Contract Number	16-0155
Vendor Name	PNC Capital Markets LLC
Doing Business As (DBA)	
Disclosing Entity	PNC Capital Markets LLC
Disclosing Entity's Parent Entity	PNC Holding LLC
Subcontractor	N/A
Instrument of Ownership or Beneficial Interest	Limited Liability Company Membership Agreement (Series LLC, Low-Profit Limited Liability Company) ☐ If you selected Other, please describe: N/A

FINANCIAL DISCLOSURES AND CONFLICTS OF INTERESTS

STEP 1
SUPPORTING DOCUMENTATION SUBMITTAL
(All vendors complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

You must select one of the six options below and select the documentation you are submitting. You must provide the documentation that the applicable section requires with this form.

☐ Option 1 – Publicly Traded Entities

1.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

1.B. ☐ Attach a copy of the Federal 10-K or provide a web address of an electronic copy of the Federal 10-K, and skip to Step 3.

☐ Option 2 – Privately Held Entities with more than 100 Shareholders

2.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

2.B. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership share in excess of 5% and attach the information Federal 10-K reporting companies are required to report under 17 CFR 229.401.

☒ Option 3 – All other Privately Held Entities, not including Sole Proprietorships

3.A. ☒ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

☐ Option 4 – Foreign Entities

4.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

4.B. ☐ Attach a copy of the Securities Exchange Commission Form 20-F or 40-F and skip to Step 3.

☐ Option 5 – Not-for-Profit Entities

☐ Complete Step 2, Option B.

☐ Option 6 – Sole Proprietorships

☐ Skip to Step 3.

STEP 2
DISCLOSURE OF FINANCIAL INTEREST OR BOARD OF DIRECTORS

(All vendors, except sole proprietorships, must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Complete **either** Option A (for all entities other than not-for-profits) or Option B (for not-for-profits). Additional rows may be inserted into the tables or an attachment may be provided if needed.

OPTION A – Ownership Share and Distributive Income

Ownership Share – If you selected Option 1.A., 2.A., 2.B., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of ownership if said percentage exceeds 5%, or the dollar value of their ownership if said dollar value exceeds $106,447.20.

☐ Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – X

Name	Address	Percentage of Ownership	$ Value of Ownership
PNC Holding LLC	222 Delaware Avenue Wilmington, DE 19807	100%	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Distributive Income – If you selected Option 1.A., 2.A., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of the disclosing vendor's total distributive income if said percentage exceeds 5% of the total distributive income of the disclosing entity, or the dollar value of their distributive income if said dollar value exceeds $106,447.20.

☐ Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – Y

Name	Address	% of Distributive Income	$ Value of Distributive Income
PNC Holding LLC	222 Delaware Avenue Wilmington, DE 19807	100%	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Please certify that the following statements are true.

I have disclosed all individuals or entities that hold an ownership interest of greater than 5% or greater than $106,447.20.

☒ Yes ☐ No

I have disclosed all individuals or entities that were entitled to receive distributive income in an amount greater than $106,447.20 or greater than 5% of the total distributive income of the disclosing entity.

☒ Yes ☐ No

OPTION B – Disclosure of Board of Directors (Not-for-Profits)

If you selected Option 5 in Step 1, list members of your board of directors. Please include an attachment if necessary.

TABLE – Z	
Name	**Address**
N/A	**N/A**
N/A	**N/A**
N/A	**N/A**
N/A	**N/A**
N/A	**N/A**

STEP 3
DISCLOSURE OF LOBBYIST OR AGENT

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

☐ Yes ☒ No. Is your company represented by or do you employ a lobbyist required to register under the Lobbyist Registration Act (lobbyist must be registered pursuant to the Act with the Secretary of State) or other agent who is not identified through Step 2, Option A above and who has communicated, is communicating, or may communicate with any State/Public University officer or employee concerning the bid or offer? If yes, please identify each lobbyist and agent, including the name and address below.

If you have a lobbyist that does not meet the criteria, then you do not have to disclose the lobbyist's information.

Name	Address	Relationship to Disclosing Entity
N/A	**N/A**	**N/A**

Describe all costs/fees/compensation/reimbursements related to the assistance provided by each representative lobbyist or other agent to obtain this Agency/University contract: N/A

STEP 4
PROHIBITED CONFLICTS OF INTEREST

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Step 4 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above. Please provide the name of the person for which responses are provided: N/A

1. Do you hold or are you the spouse or minor child who holds an elective office in the State of Illinois or hold a seat in the General Assembly? ☐ Yes ☐ No
2. Have you, your spouse, or minor child been appointed to or employed in any offices or agencies of State government and receive compensation for such employment in excess of 60% ($106,447.20) of the salary of the Governor? ☐ Yes ☐ No
3. Are you or are you the spouse or minor child of an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority? ☐ Yes ☐ No
4. Have you, your spouse, or an immediate family member who lives in your residence currently or who lived in your residence within the last 12 months been appointed as a member of a board, commission, authority, or task force authorized or created by State law or by executive order of the Governor? ☐ Yes ☐ No
5. If you answered yes to any question in 1-4 above, please answer the following: Do you, your spouse, or minor child receive from the vendor more than 7.5% of the vendor's total distributable income or an amount of distributable income in excess of the salary of the Governor ($177,412.00)? ☐ Yes ☐ No
6. If you answered yes to any question in 1-4 above, please answer the following: Is there a combined interest of self with spouse or minor child more than 15% in the aggregate of the vendor's distributable income or an amount of distributable income in excess of two times the salary of the Governor ($354,824.00)? ☐ Yes ☐ No

STEP 5
POTENTIAL CONFLICTS OF INTEREST RELATING TO PERSONAL RELATIONSHIPS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Step 5 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above.

Please provide the name of the person for which responses are provided: N/A

1. Do you currently have, or in the previous 3 years have you had State employment, including contractual employment of services? ☐ Yes ☐ No
2. Has your spouse, father, mother, son, or daughter, had State employment, including contractual employment for services, in the previous 2 years? ☐ Yes ☐ No

3. Do you hold currently or have you held in the previous 3 years elective office of the State of Illinois, the government of the United States, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois? ☐ Yes ☐ No

4. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding elective office currently or in the previous 2 years? ☐ Yes ☐ No

5. Do you hold or have you held in the previous 3 years any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office? ☐ Yes ☐ No

6. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding appointive office currently or in the previous 2 years? ☐ Yes ☐ No

7. Do you currently have or in the previous 3 years had employment as or by any registered lobbyist of the State government? ☐ Yes ☐ No

8. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) that is or was a registered lobbyist? ☐ Yes ☐ No

9. Do you currently have or in the previous 3 years had compensated employment by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? ☐ Yes ☐ No

10. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) who is or was a compensated employee of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? ☐ Yes ☐ No

STEP 6
EXPLANATION OF AFFIRMATIVE RESPONSES

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

If you answered "Yes" in Step 4 or Step 5, please provide on an additional page a detailed explanation that includes, but is not limited to the name, salary, State agency or university, and position title of each individual.

STEP 7
POTENTIAL CONFLICTS OF INTEREST
RELATING TO DEBARMENT & LEGAL PROCEEDINGS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

This step must be completed for each person disclosed in Step 2, Option A, Step 3, and for each entity and sole proprietor disclosed in Step 1.

Please provide the name of the person or entity for which responses are provided: PNC Capital Markets LLC

1. Within the previous ten years, have you had debarment from contracting with any governmental entity? ☐ Yes ☒ No
2. Within the previous ten years, have you had any professional licensure discipline? ☐ Yes ☒ No
3. Within the previous ten years, have you had any bankruptcies? ☐ Yes ☒ No
4. Within the previous ten years, have you had any adverse civil judgments and administrative findings? ☒ Yes ☐ No
5. Within the previous ten years, have you had any criminal felony convictions? ☐ Yes ☒ No

If you answered "Yes", please provide a detailed explanation that includes, but is not limited to the name, State agency or university, and position title of each individual. See attached sheet.

STEP 8
DISCLOSURE OF CURRENT AND PENDING CONTRACTS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

If you selected Option 1, 2, 3, 4, or 6 in Step 1, do you have any contracts, pending contracts, bids, proposals, subcontracts, leases or other ongoing procurement relationships with units of State of Illinois government?

☒ Yes ☐ No.

If "Yes", please specify below. Additional rows may be inserted into the table or an attachment may be provided if needed.

Agency/University	Project Title	Status	Value	Contract Reference/P.O./Illinois Procurement Bulletin #
State of Illinois	GOMB Request for Qualifications	Selected to Senior Manager's Underwriting Pool	TBD	Contract Underwriter #22038948

Illinois State Toll Highway	Bond Underwriting and Remarketing Services	Selected to the Co-Manager's Underwriting Pool	TBD	RFP Professional and Artistic 12-0045

Please explain the procurement relationship: Vendor

STEP 9
SIGN THE DISCLOSURE

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

This disclosure is signed, and made under penalty of perjury for all for-profit entities, by an authorized officer or employee on behalf of the bidder or offeror pursuant to Sections 50-13 and 50-35 of the Illinois Procurement Code. This disclosure information is submitted on behalf of:

Name of Disclosing Entity: PNC Capital Markets LLC

Signatu[redacted] Date: 1/31/2017

Printed Name: Elizabeth Coolidge

Title: Managing Director

Phone Number: 312-338-2262

Email Address: elizabeth.coolidge@pnc.com

Step 7 Question 4 Attachment

Date	Defendant	Plantiff	Description	Result/Settlement Amount
December 2016	PNC Capital Markets LLC	FINRA	Failed to maintain approximately 1.9 million electronic brokerage records in non-erasable and no-rewriteable format	$500,000
July 2016	PNC Capital Markets LLC	FINRA	Failed to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to managed the financial, regulatory, and other risks associated with its access to trading on fixed income Alternative Trading Systems (Market Access)	$50,000
September 2015	PNC Capital Markets LLC	SEC	Findings reported through the Municipalities Continuing Disclosure Cooperation ("MCDC") Initiative	$500,000
April 2010	PNC Capital Markets LLC	FINRA	Failed to report to TRACE the correct contra-party's indentifier for transactions in TRACE-eligible securities	$15,000
December 2008	PNC Capital Markets LLC	FINRA	Failed to report municipal securities transactions to the MSRB RTRS system in compliance with Rule G14	$7,500

STATE OF ILLINOIS
FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

The Financial Disclosures and Conflicts of Interest form ("form") must be accurately completed and submitted by the vendor, parent entity(ies), and subcontractors. There are **nine** steps to this form and each must be completed as instructed in the step heading and within the step. A bid or offer that does not include this form shall be considered non-responsive. The Agency/University will consider this form when evaluating the bid or offer or awarding the contract.

The requirement of disclosure of financial interests and conflicts of interest is a continuing obligation. If circumstances change and the disclosure is no longer accurate, then disclosing entities must provide an updated form.

Separate forms are required for the vendor, parent entity(ies), and subcontractors.

This disclosure is submitted for:

- ☐ Vendor
- ☒ Vendor's Parent Entity(ies) (100% ownership)
- ☐ Subcontractor(s) >$50,000 (annual value)
- ☐ Subcontractor's Parent Entity(ies) (100% ownership) > $50,000 (annual value)

Project Name	Bond Underwriting Services
Illinois Procurement Bulletin Number	22039948
Contract Number	16-0155
Vendor Name	PNC Capital Markets LLC
Doing Business As (DBA)	
Disclosing Entity	PNC Holding LLC
Disclosing Entity's Parent Entity	The PNC Financial Services Group, Inc.
Subcontractor	N/A
Instrument of Ownership or Beneficial Interest	Limited Liability Company Membership Agreement (Series LLC, Low-Profit Limited Liability Company) ☐ If you selected Other, please describe: N/A

FINANCIAL DISCLOSURES AND CONFLICTS OF INTERESTS

STEP 1
SUPPORTING DOCUMENTATION SUBMITTAL

(All vendors complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

You must select one of the six options below and select the documentation you are submitting. You must provide the documentation that the applicable section requires with this form.

☐ Option 1 – Publicly Traded Entities

1.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

1.B. ☐ Attach a copy of the Federal 10-K or provide a web address of an electronic copy of the Federal 10-K, and skip to Step 3.

☐ Option 2 – Privately Held Entities with more than 100 Shareholders

2.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

2.B. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership share in excess of 5% and attach the information Federal 10-K reporting companies are required to report under 17 CFR 229.401.

☒ Option 3 – All other Privately Held Entities, not including Sole Proprietorships

3.A. ☒ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

☐ Option 4 – Foreign Entities

4.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

4.B. ☐ Attach a copy of the Securities Exchange Commission Form 20-F or 40-F and skip to Step 3.

☐ Option 5 – Not-for-Profit Entities

☐ Complete Step 2, Option B.

☐ Option 6 – Sole Proprietorships

☐ Skip to Step 3.

STEP 2
DISCLOSURE OF FINANCIAL INTEREST OR BOARD OF DIRECTORS

(All vendors, except sole proprietorships, must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Complete **either** Option A (for all entities other than not-for-profits) or Option B (for not-for-profits). Additional rows may be inserted into the tables or an attachment may be provided if needed.

OPTION A – Ownership Share and Distributive Income

Ownership Share – If you selected Option 1.A., 2.A., 2.B., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of ownership if said percentage exceeds 5%, or the dollar value of their ownership if said dollar value exceeds $106,447.20.

☐ Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – X

Name	Address	Percentage of Ownership	$ Value of Ownership
The PNC Financial Services Group, Inc.	The Tower at PNC Plaza, 300 Fifth Avenue Pittsburgh, PA 15222	100%	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Distributive Income – If you selected Option 1.A., 2.A., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of the disclosing vendor's total distributive income if said percentage exceeds 5% of the total distributive income of the disclosing entity, or the dollar value of their distributive income if said dollar value exceeds $106,447.20.

☐ Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – Y

Name	Address	% of Distributive Income	$ Value of Distributive Income
The PNC Financial Services Group, Inc.	The Tower at PNC Plaza, 300 Fifth Avenue Pittsburgh, PA 15222	100%	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Please certify that the following statements are true.

I have disclosed all individuals or entities that hold an ownership interest of greater than 5% or greater than $106,447.20.

☒ Yes ☐ No

I have disclosed all individuals or entities that were entitled to receive distributive income in an amount greater than $106,447.20 or greater than 5% of the total distributive income of the disclosing entity.

☒ Yes ☐ No

OPTION B – Disclosure of Board of Directors (Not-for-Profits)

If you selected Option 5 in Step 1, list members of your board of directors. Please include an attachment if necessary.

TABLE – Z

Name	Address
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A

STEP 3
DISCLOSURE OF LOBBYIST OR AGENT

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

☐ Yes ☒ No. Is your company represented by or do you employ a lobbyist required to register under the Lobbyist Registration Act (lobbyist must be registered pursuant to the Act with the Secretary of State) or other agent who is not identified through Step 2, Option A above and who has communicated, is communicating, or may communicate with any State/Public University officer or employee concerning the bid or offer? If yes, please identify each lobbyist and agent, including the name and address below.

If you have a lobbyist that does not meet the criteria, then you do not have to disclose the lobbyist's information.

Name	Address	Relationship to Disclosing Entity
N/A	N/A	N/A

Describe all costs/fees/compensation/reimbursements related to the assistance provided by each representative lobbyist or other agent to obtain this Agency/University contract: N/A

STEP 4
PROHIBITED CONFLICTS OF INTEREST

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Step 4 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above. Please provide the name of the person for which responses are provided: N/A

1. Do you hold or are you the spouse or minor child who holds an elective office in the State of Illinois or hold a seat in the General Assembly? ☐ Yes ☐ No
2. Have you, your spouse, or minor child been appointed to or employed in any offices or agencies of State government and receive compensation for such employment in excess of 60% ($106,447.20) of the salary of the Governor? ☐ Yes ☐ No
3. Are you or are you the spouse or minor child of an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority? ☐ Yes ☐ No
4. Have you, your spouse, or an immediate family member who lives in your residence currently or who lived in your residence within the last 12 months been appointed as a member of a board, commission, authority, or task force authorized or created by State law or by executive order of the Governor? ☐ Yes ☐ No
5. If you answered yes to any question in 1-4 above, please answer the following: Do you, your spouse, or minor child receive from the vendor more than 7.5% of the vendor's total distributable income or an amount of distributable income in excess of the salary of the Governor ($177,412.00)? ☐ Yes ☐ No
6. If you answered yes to any question in 1-4 above, please answer the following: Is there a combined interest of self with spouse or minor child more than 15% in the aggregate of the vendor's distributable income or an amount of distributable income in excess of two times the salary of the Governor ($354,824.00)? ☐ Yes ☐ No

STEP 5
POTENTIAL CONFLICTS OF INTEREST RELATING TO PERSONAL RELATIONSHIPS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Step 5 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above.

Please provide the name of the person for which responses are provided: N/A

1. Do you currently have, or in the previous 3 years have you had State employment, including contractual employment of services? ☐ Yes ☐ No
2. Has your spouse, father, mother, son, or daughter, had State employment, including contractual employment for services, in the previous 2 years? ☐ Yes ☐ No

3. Do you hold currently or have you held in the previous 3 years elective office of the State of Illinois, the government of the United States, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois? ☐ Yes ☐ No

4. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding elective office currently or in the previous 2 years? ☐ Yes ☐ No

5. Do you hold or have you held in the previous 3 years any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office? ☐ Yes ☐ No

6. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding appointive office currently or in the previous 2 years? ☐ Yes ☐ No

7. Do you currently have or in the previous 3 years had employment as or by any registered lobbyist of the State government? ☐ Yes ☐ No

8. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) that is or was a registered lobbyist? ☐ Yes ☐ No

9. Do you currently have or in the previous 3 years had compensated employment by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? ☐ Yes ☐ No

10. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) who is or was a compensated employee of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? ☐ Yes ☐ No

STEP 6
EXPLANATION OF AFFIRMATIVE RESPONSES

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

If you answered "Yes" in Step 4 or Step 5, please provide on an additional page a detailed explanation that includes, but is not limited to the name, salary, State agency or university, and position title of each individual.

STEP 7
POTENTIAL CONFLICTS OF INTEREST
RELATING TO DEBARMENT & LEGAL PROCEEDINGS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

This step must be completed for each person disclosed in Step 2, Option A, Step 3, and for each entity and sole proprietor disclosed in Step 1.

Please provide the name of the person or entity for which responses are provided: PNC Holding LLC

1. Within the previous ten years, have you had debarment from contracting with any governmental entity? ☐ Yes ☒ No
2. Within the previous ten years, have you had any professional licensure discipline? ☐ Yes ☒ No
3. Within the previous ten years, have you had any bankruptcies? ☐ Yes ☒ No
4. Within the previous ten years, have you had any adverse civil judgments and administrative findings? ☐ Yes ☒ No
5. Within the previous ten years, have you had any criminal felony convictions? ☐ Yes ☒ No

If you answered "Yes", please provide a detailed explanation that includes, but is not limited to the name, State agency or university, and position title of each individual. N/A

STEP 8
DISCLOSURE OF CURRENT AND PENDING CONTRACTS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

If you selected Option 1, 2, 3, 4, or 6 in Step 1, do you have any contracts, pending contracts, bids, proposals, subcontracts, leases or other ongoing procurement relationships with units of State of Illinois government?

☐ Yes ☒ No.

If "Yes", please specify below. Additional rows may be inserted into the table or an attachment may be provided if needed.

Agency/University	Project Title	Status	Value	Contract Reference/P.O./Illinois Procurement Bulletin #
N/A	N/A	N/A	N/A	N/A

Please explain the procurement relationship:

STEP 9
SIGN THE DISCLOSURE

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

This disclosure is signed, and made under penalty of perjury for all for-profit entities, by an authorized officer or employee on behalf of the bidder or offeror pursuant to Sections 50-13 and 50-35 of the Illinois Procurement Code. This disclosure information is submitted on behalf of:

Name of Disclosing Entity: PNC Holding LLC

Signature: [redacted] Date: 1/24/2017

Printed Name: Christi Davis

Title: Assistant Secretary

Phone Number: 412-762-1901

Email Address: c.davis@pnc.com

STATE OF ILLINOIS
FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

The Financial Disclosures and Conflicts of Interest form ("form") must be accurately completed and submitted by the vendor, parent entity(ies), and subcontractors. There are **nine** steps to this form and each must be completed as instructed in the step heading and within the step. A bid or offer that does not include this form shall be considered non-responsive. The Agency/University will consider this form when evaluating the bid or offer or awarding the contract.

The requirement of disclosure of financial interests and conflicts of interest is a continuing obligation. If circumstances change and the disclosure is no longer accurate, then disclosing entities must provide an updated form.

Separate forms are required for the vendor, parent entity(ies), and subcontractors.

This disclosure is submitted for:

☐ Vendor

☒ Vendor's Parent Entity(ies) (100% ownership)

☐ Subcontractor(s) >$50,000 (annual value)

☐ Subcontractor's Parent Entity(ies) (100% ownership) > $50,000 (annual value)

Project Name	Bond Underwriting Services
Illinois Procurement Bulletin Number	22039948
Contract Number	16-0155
Vendor Name	PNC Capital Markets LLC
Doing Business As (DBA)	
Disclosing Entity	The PNC Financial Services Group, Inc.
Disclosing Entity's Parent Entity	N/A
Subcontractor	N/A
Instrument of Ownership or Beneficial Interest	Corporate Stock (C-Corporation, S-Corporation, Professional Corporation, Service Corporation) ☐ If you selected Other, please describe: N/A

STEP 1
SUPPORTING DOCUMENTATION SUBMITTAL
(All vendors complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

You must select one of the six options below and select the documentation you are submitting. You must provide the documentation that the applicable section requires with this form.

☒ Option 1 – Publicly Traded Entities

1.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

1.B. ☒ Attach a copy of the Federal 10-K or provide a web address of an electronic copy of the Federal 10-K, and skip to Step 3.

https://www.sec.gov/Archives/edgar/data/713676/000119312517062524/d300732d10k.htm

☐ Option 2 – Privately Held Entities with more than 100 Shareholders

2.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

2.B. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership share in excess of 5% and attach the information Federal 10-K reporting companies are required to report under 17 CFR 229.401.

☐ Option 3 – All other Privately Held Entities, not including Sole Proprietorships

3.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

☐ Option 4 – Foreign Entities

4.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

4.B. ☐ Attach a copy of the Securities Exchange Commission Form 20-F or 40-F and skip to Step 3.

☐ Option 5 – Not-for-Profit Entities

☐ Complete Step 2, Option B.

☐ Option 6 – Sole Proprietorships

☐ Skip to Step 3.

STEP 2
DISCLOSURE OF FINANCIAL INTEREST OR BOARD OF DIRECTORS
(All vendors, except sole proprietorships, must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Complete **either** Option A (for all entities other than not-for-profits) or Option B (for not-for-profits). Additional rows may be inserted into the tables or an attachment may be provided if needed.

OPTION A – Ownership Share and Distributive Income

Ownership Share – If you selected Option 1.A., 2.A., 2.B., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of ownership if said percentage exceeds 5%, or the dollar value of their ownership if said dollar value exceeds $106,447.20.

☐ Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – X

Name	Address	Percentage of Ownership	$ Value of Ownership
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Distributive Income – If you selected Option 1.A., 2.A., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of the disclosing vendor's total distributive income if said percentage exceeds 5% of the total distributive income of the disclosing entity, or the dollar value of their distributive income if said dollar value exceeds $106,447.20.

☐ Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – Y

Name	Address	% of Distributive Income	$ Value of Distributive Income
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Please certify that the following statements are true.

I have disclosed all individuals or entities that hold an ownership interest of greater than 5% or greater than $106,447.20.

☐ Yes ☐ No

I have disclosed all individuals or entities that were entitled to receive distributive income in an amount greater than $106,447.20 or greater than 5% of the total distributive income of the disclosing entity.

☐ Yes ☐ No

OPTION B – Disclosure of Board of Directors (Not-for-Profits)

If you selected Option 5 in Step 1, list members of your board of directors. Please include an attachment if necessary.

TABLE – Z	
Name	**Address**
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A

STEP 3
DISCLOSURE OF LOBBYIST OR AGENT

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

☐ Yes ☒ No. Is your company represented by or do you employ a lobbyist required to register under the Lobbyist Registration Act (lobbyist must be registered pursuant to the Act with the Secretary of State) or other agent who is not identified through Step 2, Option A above and who has communicated, is communicating, or may communicate with any State/Public University officer or employee concerning the bid or offer? If yes, please identify each lobbyist and agent, including the name and address below.

If you have a lobbyist that does not meet the criteria, then you do not have to disclose the lobbyist's information.

Name	**Address**	**Relationship to Disclosing Entity**
N/A	N/A	

Describe all costs/fees/compensation/reimbursements related to the assistance provided by each representative lobbyist or other agent to obtain this Agency/University contract: N/A

STEP 4
PROHIBITED CONFLICTS OF INTEREST
(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Step 4 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above. Please provide the name of the person for which responses are provided: N/A

1. Do you hold or are you the spouse or minor child who holds an elective office in the State of Illinois or hold a seat in the General Assembly? ☐ Yes ☐ No
2. Have you, your spouse, or minor child been appointed to or employed in any offices or agencies of State government and receive compensation for such employment in excess of 60% ($106,447.20) of the salary of the Governor? ☐ Yes ☐ No
3. Are you or are you the spouse or minor child of an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority? ☐ Yes ☐ No
4. Have you, your spouse, or an immediate family member who lives in your residence currently or who lived in your residence within the last 12 months been appointed as a member of a board, commission, authority, or task force authorized or created by State law or by executive order of the Governor? ☐ Yes ☐ No
5. If you answered yes to any question in 1-4 above, please answer the following: Do you, your spouse, or minor child receive from the vendor more than 7.5% of the vendor's total distributable income or an amount of distributable income in excess of the salary of the Governor ($177,412.00)? ☐ Yes ☐ No
6. If you answered yes to any question in 1-4 above, please answer the following: Is there a combined interest of self with spouse or minor child more than 15% in the aggregate of the vendor's distributable income or an amount of distributable income in excess of two times the salary of the Governor ($354,824.00)? ☐ Yes ☐ No

STEP 5
POTENTIAL CONFLICTS OF INTEREST RELATING TO PERSONAL RELATIONSHIPS
(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Step 5 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above.

Please provide the name of the person for which responses are provided: N/A

1. Do you currently have, or in the previous 3 years have you had State employment, including contractual employment of services? ☐ Yes ☐ No
2. Has your spouse, father, mother, son, or daughter, had State employment, including contractual employment for services, in the previous 2 years? ☐ Yes ☐ No

3.	Do you hold currently or have you held in the previous 3 years elective office of the State of Illinois, the government of the United States, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois?	☐ Yes ☐ No
4.	Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding elective office currently or in the previous 2 years?	☐ Yes ☐ No
5.	Do you hold or have you held in the previous 3 years any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office?	☐ Yes ☐ No
6.	Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding appointive office currently or in the previous 2 years?	☐ Yes ☐ No
7.	Do you currently have or in the previous 3 years had employment as or by any registered lobbyist of the State government?	☐ Yes ☐ No
8.	Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) that is or was a registered lobbyist?	☐ Yes ☐ No
9.	Do you currently have or in the previous 3 years had compensated employment by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections?	☐ Yes ☐ No
10.	Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) who is or was a compensated employee of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections?	☐ Yes ☐ No

STEP 6
EXPLANATION OF AFFIRMATIVE RESPONSES

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

If you answered "Yes" in Step 4 or Step 5, please provide on an additional page a detailed explanation that includes, but is not limited to the name, salary, State agency or university, and position title of each individual.

STEP 7
POTENTIAL CONFLICTS OF INTEREST
RELATING TO DEBARMENT & LEGAL PROCEEDINGS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

This step must be completed for each person disclosed in Step 2, Option A, Step 3, and for each entity and sole proprietor disclosed in Step 1.

Please provide the name of the person or entity for which responses are provided: The PNC Financial Services Group, Inc.

1. Within the previous ten years, have you had debarment from contracting with any governmental entity? ☐ Yes ☒ No
2. Within the previous ten years, have you had any professional licensure discipline? ☐ Yes ☒ No
3. Within the previous ten years, have you had any bankruptcies? ☐ Yes ☒ No
4. Within the previous ten years, have you had any adverse civil judgments and administrative findings? ☒ Yes ☐ No
5. Within the previous ten years, have you had any criminal felony convictions? ☐ Yes ☒ No

If you answered "Yes", please provide a detailed explanation that includes, but is not limited to the name, State agency or university, and position title of each individual. Please see the attached sheet.

STEP 8
DISCLOSURE OF CURRENT AND PENDING CONTRACTS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

If you selected Option 1, 2, 3, 4, or 6 in Step 1, do you have any contracts, pending contracts, bids, proposals, subcontracts, leases or other ongoing procurement relationships with units of State of Illinois government?

☐ Yes ☒ No.

If "Yes", please specify below. Additional rows may be inserted into the table or an attachment may be provided if needed.

Agency/University	Project Title	Status	Value	Contract Reference/P.O./Illinois Procurement Bulletin #
N/A	N/A	N/A	N/A	N/A

Please explain the procurement relationship:

STEP 9
SIGN THE DISCLOSURE
(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

This disclosure is signed, and made under penalty of perjury for all for-profit entities, by an authorized officer or employee on behalf of the bidder or offeror pursuant to Sections 50-13 and 50-35 of the Illinois Procurement Code. This disclosure information is submitted on behalf of:

Name of Disclosing Entity: The PNC Financial Services Group, Inc.

Signature: [redacted] Date: 1/24/17

Printed Name: George Whitmer

Title: Executive Vice President

Phone Number: 412-762-5730

Email Address: george.whitmer@pnc.com

Packet 1 – Specifications / Qualifications / Statement of Work

Response to Request for Proposal for Bond Underwriting Services

IPB #22039948

The Illinois State Toll Highway Authority

February 3, 2017

INTEGRITY. INNOVATION. INSIGHT.

PNC

One North Franklin – 29th Floor
Chicago, IL 60606

Primary Contacts

Elizabeth Coolidge
Managing Director

312-338-2262
elizabeth.coolidge@pnc.com

Eric Golynsky
Director

212-752-6103
eric.golynsky@pnc.com

MUNICIPAL ADVISOR AND G-17 DISCLOSURE

PNC Capital Markets LLC ("PNCCM") is providing the information contained in this document for discussion purposes only in anticipation of serving as an underwriter to the person to whom this document is addressed. The information provided herein is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended ("Exchange Act"), unless such information is provided (i) within the scope of an underwriting of an issuance of municipal securities for which PNCCM is acting or seeking to act as underwriter, (ii) to a person that is separately advised by an independent registered municipal advisor, pursuant to the requirements of Exchange Act Rule 15Ba1-1(d)(3)(vi), or (iii) in response to a written or oral request for proposals or qualifications. PNCCM is not acting as a municipal advisor, and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Exchange Act, with respect to this communication or any related municipal financial product or issuance of municipal securities. PNCCM is not recommending any action to any municipal entity or obligated person and such entity should discuss any information and material contained in this communication with any and all internal or external advisors and experts that the municipal entity or obligated person deems appropriate before acting on this information or material.

The following disclosures are required by Municipal Securities Rulemaking Board ("MSRB") Rule G-17, as PNCCM proposes to serve as an underwriter, and not as a financial advisor, municipal advisor or fiduciary to any person or entity, in connection with the issuance and sale of securities for the person to whom this is addressed:

(i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.

(ii) An underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with an issuer; and an underwriter has financial and other interests that differ from those of such an issuer.

(iii) Unlike a municipal advisor, an underwriter does not have a fiduciary duty to an issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of that issuer without regard to its own financial or other interests.

(iv) An underwriter has a duty to purchase securities from an issuer at a fair and reasonable price, but must balance that duty with its duty to sell those securities to investors at prices that are fair and reasonable.

(v) An underwriter will review the official statement, if any, for those securities in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.

STANDARD DISCLOSURE

PNC Capital Markets LLC ("PNCCM"), member FINRA and SIPC, is a wholly owned subsidiary of The PNC Financial Services Group, Inc. ("PNC") and affiliate of PNC Bank, National Association ("PNC Bank"). PNCCM is not a bank or thrift, but rather, it is a separate and distinct corporate entity from its bank affiliate.

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PNC Capital Markets is the marketing name used for investment banking and capital markets activities conducted by PNC through its subsidiaries PNC Bank and PNCCM. Securities underwriting, sales and trading services are provided by PNCCM. Foreign exchange and derivative products are obligations of PNC Bank.

OFFEROR'S PROPOSED SOLUTION TO MEET THE STATE'S REQUIREMENTS

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February 3, 2017

Desiree Liberti
Purchasing Supervisor
Illinois Tollway

Dear Ms. Liberti:

On behalf of PNC Capital Markets LLC ("PNCCM" or the "Firm") and our parent, The PNC Financial Services Group, Inc. ("PNC"), we would like to thank you for the opportunity to submit our qualifications to provide bond underwriting services to the Illinois State Toll Highway Authority ("Illinois Tollway" or the "Tollway"). The combination of our extensive underwriting experience, commitment to and investment in the State of Illinois (the "State"), distribution capabilities, technical expertise, and experienced finance team differentiates our Firm and makes us a strong candidate to serve as a senior managing underwriter for the Tollway. In our proposal, we highlight the following key strengths:

TOP RANKED FIRM: PNCCM is a leading underwriter in the public finance market. In 2016, PNCCM ranked 13th as senior manager for negotiated municipal underwriting within the PNC Footprint, senior managing 107 negotiated transactions totaling in excess of $4.0 billion in aggregate par. In 2016, PNCCM also ranked 9th amongst all senior managers nationwide underwriting transactions for state of Illinois issues with a total aggregate par of $526.3 million as well as 7th as a senior manager of toll road, highway, road, and bridge issuances with a total par of $785.3 million. Since 2014, PNCCM has served as underwriting manager on 20 transportation revenue bond transactions with a deal size exceeding $100 million for a total of $11.5 billion in par amount, including six senior, joint-senior, and co-senior managed transactions totaling $2.2 billion.

INVESTMENT IN ILLINOIS: The State has been a major area of investment for PNC since it entered the market in 2010 following the acquisition of National City in 2008. Since that time, PNC has grown to include over 3,300 employees, 187 branches and offices, and 586 ATMs throughout Illinois. PNCCM invested in a regional Illinois headquarters at One N. Franklin in downtown Chicago which is the location of our public finance office that provides investment banking and commercial banking coverage to the Tollway. PNC also actively supports vital community organizations and civic institutions throughout Illinois, and has contributed over $11.0 million to early childhood education for children throughout Illinois through our signature Grow Up Great program.

COMMITMENT TO THE TOLLWAY: The Tollway is a very important client of PNC. Over the past several years, PNCCM and PNC Bank have utilized our unique public finance organizational structure to provide the Tollway with financing solutions employing both capital markets and commercial banking products. In November 2016, PNC Bank provided the Tollway with $107 million for its letter of credit supporting the Series 2007 A-2b Bonds. PNCCM has also supported the Tollway through participation as an underwriter on capital markets transactions. In November 2015, PNCCM served as co-manager on the Tollway's $400 million Toll Highway Senior Revenue Bonds, 2015 Series B transaction. PNCCM is pleased to have the opportunity to respond to this request for proposals for the Tollway's Senior Pool and hopes to be able to provide the Tollway with increased capital markets services.

EXPERIENCED FINANCE TEAM: Industry veteran, Elizabeth Coolidge, Managing Director, who joined PNCCM in 2013 to run the Firm's public finance capital markets team in the Midwest region, brings over 25 years of public finance investment banking experience to the Tollway. Ms. Coolidge has served as lead banker for municipal transactions totaling over $25.0 billion throughout her career, including numerous transactions for issuers in Illinois. Allison Pink, Director, will provide the Tollway with investment banking and deal transaction support along with serving as the lead quantitative banker for potential upcoming underwriting engagements. Since joining PNCCM, Ms. Coolidge and Ms. Pink have senior and co-senior managed 10 transactions for Illinois issuers totaling approximately $5.2 billion in total par, including the State of Illinois' $1.3 billion GO Refunding Bonds Series of October 2016 transaction for which PNCCM was co-senior manager. The Tollway will also benefit from the transportation financing expertise of our dedicated Transportation Finance Group led by Eric Golynsky, Director, and Amanda Parker, Director, which was formed in conjunction with their arrival at the Firm in 2014 and 2015, respectively. During their five-plus years at a prior firm, they served on 44 senior managed transportation issues totaling nearly $10.0 billion, including serving as senior manager on toll or highway revenue bond financings for the Tollway (Series 2014D on which Ms. Parker served as the primary quantitative, credit, and support banker), Pennsylvania Turnpike Commission, North Texas Tollway Authority, State of Connecticut, and Michigan DOT. Since the Transportation Finance Group was formed in 2014, PNCCM has served as senior manager on relevant financings for Pennsylvania Turnpike Commission, Ohio DOT, and Indianapolis Airport Authority and has been appointed to relevant underwriting pools for Pennsylvania Turnpike Commission, North Texas Tollway Authority, Chicago Transit Authority, Delaware River Joint Toll Bridge Commission, Northern Virginia Transportation Authority, and New York MTA. Shahin Zandfard, CFA, Managing Director, and the head of municipal underwriting, sales, and trading, will oversee the pricing and sale of the State's bond transactions. Mr. Zandfard will be assisted by Mark DeNick, Managing Director, who is a trader in PNCCM's Municipal Trading Department and will serve as the lead underwriter for the Tollway's transactions. Rob Leppert, Managing Director and Sales Manager, will lead the sales effort for the Tollway's transactions, including disseminating all marketing materials to the PNCCM sales force and our extensive distribution networks of institutional and retail buyers.

PLAN OF FINANCE: Over the next five years, the Tollway plans to issue $1.6 billion of new debt to finance a portion of the *Move Illinois Capital Program*. Based on our experience working with the Tollway, the Tollway's existing debt profile and additional publicly available information, PNCCM has developed a financially conservative plan of finance with the following recommendations:

- Continue to structure new money issues as wrap-around debt service rather than level debt service
- Consider issuing 30-year debt, which would require legislative approval
- Issue a portion of the new money under the junior lien to preserve senior lien coverage levels and future borrowing capacity
- Monitor refunding opportunities and confirm the ability to execute a crossover refunding of the Series 2009A callable BABs
- Monitor the swap market for opportunities to fix out synthetic fixed rate bonds

DISTRIBUTION CAPABILITIES AND MARKETING EXPERTISE: PNCCM takes a multi-faceted approach to securing the lowest possible interest rates on behalf of our issuer clients. PNCCM's institutional fixed income distribution network of 27 sales professionals actively cover the full spectrum of institutional accounts (Tier I, II, III, and IV). In addition, to maximize our retail distribution, PNCCM utilizes the services of our affiliate, PNC Investments LLC ("PNCI"), to market and distribute bonds through the PNCI retail network spanning 19 states and the District of Columbia. PNCI's retail distribution network includes more than 6,600 PNCI registered retail brokers, including 200 representatives registered in Illinois, 95 brokerage offices located across the PNC footprint, and approximately 350,000 PNCI accounts, including 14,546 in Illinois. The combination of PNCCM and PNCI's distribution network provides coverage of large, medium, and small institutions, high net worth investors, and traditional retail customers. PNCCM's high level of underwriting activity generates superior market intelligence and, as a result, accurate pricing guidance for our clients' transactions.

BALANCE SHEET STRENGTH AND WILLINGNESS TO COMMIT CAPITAL: PNCCM's underwriting capacity, as of December 31, 2016, is approximately $5.47 billion based on regulatory requirements and our firm's excess net capital of approximately $383 million. Our goal in every financing is to place bonds with going away orders; however, if volatile market conditions diminish the level of investor demand in certain maturities, PNCCM is committed to stepping up and deploying capital to support our clients' transactions.

We truly value our relationship with the Tollway and the State and appreciate the partnership we have established. Accordingly, we are pleased to have this opportunity to share our proposal to provide underwriting services for upcoming bond financings.

Sincerely,

[redacted]
Elizabeth Coolidge
Managing Director
One North Franklin Street – 29th Floor
Chicago, IL 60606
elizabeth.coolidge@pnc.com
312-338-2266

[redacted]
Director
340 Madison Avenue – 11th Floor
New York, NY 10143
eric.golynsky@pnc.com
212-752-6103

Tab 3 - Executive Summary: *The Offeror shall prepare an Executive Summary that includes statements that: (i) identify whether the Offeror is responding for the Senior Pool or the Co-Manager Pool (RESPONDENTS MAY NOT APPLY TO BOTH POOLS); (ii) demonstrate the Offeror understands the services specified in the RFP; (iii) the Offeror is registered and in good standing as a broker dealer with the Municipal Securities Rulemaking Board; (iv) the Offeror will agree with Section 3 F "Standard Terms and Conditions" and that any exceptions to such agreement are included in Section 3 G; and (iv) provide a brief (one paragraph) overview of qualifications.*

(i) PNC Capital Markets LLC ("PNCCM") is pleased to submit our proposal as a respondent to the Illinois State Toll Highway Authority's ("Illinois Tollway" or the "Tollway") Senior Pool for bond underwriting services.

(ii) The combination of our extensive underwriting experience, commitment to and investment in the State of Illinois (the "State"), distribution capabilities, technical expertise, and experienced finance team which includes our dedicated Transportation Finance Group differentiates our firm and makes us a strong candidate to serve as a senior managing underwriter for the Tollway. As such, PNCCM understands the services specified in the RFP and is prepared to serve as senior manager for the Tollway's bond financings.

(iii) PNCCM is registered and in good standing as a broker dealer with the Municipal Securities Rulemaking Board.

(iv) PNCCM agrees with Section 3 F "Standard Terms and Conditions" and that any exceptions to such agreement are included in Section 3 G.

(iv) PNCCM is a leading underwriter in the public finance market and a strong candidate to serve as senior managing underwriter for the Tollway. In 2016, PNCCM ranked 13th as senior manager for negotiated municipal underwriting within the PNC Footprint, senior managing 107 negotiated transactions totaling in excess of $4.0 billion in aggregate par. In 2016, PNCCM also ranked 9th amongst all senior managers nationwide underwriting transactions for state of Illinois issues with a total aggregate par of $526.3 million as well as 7th as a senior manager of toll road, highway, road, and bridge issuances with a total par of $785.3 million. Since 2014, PNCCM has served as underwriting manager on 20 transportation revenue bonds transactions with deal size exceeding $100 million totaling $11.5 billion, including six senior, joint-senior, and co-senior managed transactions totaling $2.2 billion. In addition, PNCCM and PNC Bank have demonstrated a strong commitment to the Tollway. In January 2016, PNCCM presented a firm update, an advance refunding opportunity of the Tollway's Series 2009A Build America Bonds, a bondholder analysis of the Tollway's bonds, and a toll road market and municipal market update. In November 2015, PNCCM also served as co-manager on the Tollway's $400 million Toll Highway Senior Revenue Bonds, 2015 Series B, transaction. Most recently, in November 2016, PNC was part of the bank group providing a $107 million letter of credit to support the Tollway's Series 2007 A-2b Bonds.

Tab 4 - Experience/Qualifications

Tab 4(a) - Experience / Qualifications of the Firm

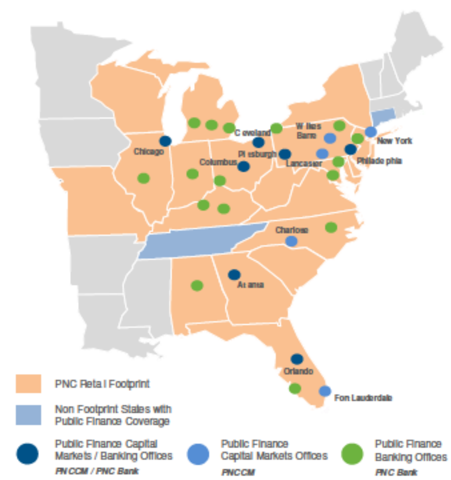
- *Identify: the location of the firm headquarters and the principal place(s) of business related to public finance.*

PNC Capital Markets LLC ("PNCCM") is headquartered in Pittsburgh, Pennsylvania and takes pride in having public finance personnel located in the geographic areas they serve. As members of the community, our personnel and staff have a stake in the success of the local region and seek to offer solutions that benefit the areas where they work and reside.

Overall, PNCCM maintains 12 offices in Chicago, Illinois; New York, New York; Cleveland and Columbus, Ohio; Pittsburgh, Philadelphia, Lancaster, and Wilkes-Barre, Pennsylvania; Atlanta, Georgia; Charlotte, North Carolina; Fort Lauderdale and Orlando, Florida. This regional presence assures clients receive the expertise, financial strength, and execution capability generally associated with a Wall Street firm, complemented by the personal, knowledgeable, and attentive service traditionally provided by a regional firm.

PNC Public Finance employs 87 personnel across PNCCM and PNC Bank N.A. ("PNC Bank") dedicated to providing capital markets and banking products to public entities. The PNC public finance professionals serving the Tollway are located primarily in the Midwest headquarters in Chicago, which include four capital markets bankers and five commercial bankers. Overall, PNC public finance professionals are located in 23 offices as listed below.

Wall Street Capabilities with a Local Presence



Office Location	PNCCM	PNC Bank	Total
ATL	1	1	2
Charlotte	3	1	4
Chicago	4	5	9
Cleveland	3	3	6
Columbus	0	2	2
Ft. Lauderdale	1	1	2
Lancaster	1	0	1
NYC	7	0	7

Office Location	PNCCM	PNC Bank	Total
Orlando	1	2	3
Philadelphia	11	4	15
Pittsburgh	7	5	12
Wilkes Barre	1	1	2
Naples	0	1	1
Indianapolis	0	4	4
Louisville	0	1	1
Lancing MI	0	2	2

Office Location	PNCCM	PNC Bank	Total
Troy MI	0	1	1
Grand Rapids MI	0	1	1
Cincinnati	0	1	1
Camp Hill PA	0	2	2
Erie PA	0	1	1
Raleigh NC	0	2	2
Washington DC	0	6	6
Total	**40**	**47**	**87**

PNCCM's public finance and institutional sales and trading groups are comprised of 37 underwriting, sales and trading professionals, including 10 municipal underwriting / trading staff and 27 institutional sales professionals across seven offices, as shown in the chart on the right.

PNCCM also works with its affiliate, PNC Investments LLC ("PNCI"), to market and distribute bonds through the PNCI retail network, which consists of over 600 registered retail representatives nationwide. Specifically, in Illinois, 200 PNCI representatives cover over 14,546 retail accounts.

- *Provide a brief overview of your firm including its business operations, organizational structure, and total number of employees.*

A Strong and Diversified Organization. The PNC Financial Services Group, Inc. (NYSE: PNC) ("PNC" or the "Company") is one of the largest and most diversified financial services firms in the United States. PNC offers a wide range of services for our entire customer base of individuals, small businesses, corporations, and governmental entities. Headquartered in Pittsburgh, Pennsylvania, we provide consumer and small business banking, primarily in the 19 state retail footprint and the District of Columbia, as well as residential mortgage banking and corporate and institutional banking across the continental United States. The Company employs approximately 50,000 individuals in the United States and abroad, including over 3,300 in Illinois, maintains approximately 2,600 branches, and operates 9,000 ATM machines.

Since the Company's founding in 1922, PNC has been committed to providing our clients with outstanding service and powerful financial expertise to help with their financial goals. We are proud of our longstanding history of supporting not only our customers but also our communities, employees, and shareholders.

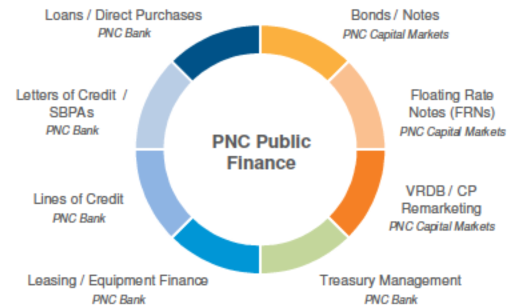
The Public Finance Group within PNC is uniquely organized to provide investment banking services through PNCCM and traditional banking products and capabilities through PNC Bank. PNCCM, an indirect wholly-owned subsidiary of PNC and affiliate of PNC Bank, is a full-service broker-dealer providing a full range of investment banking services to state and local governments and their instrumentalities; municipal utilities; school districts and higher education institutions; healthcare providers; and other 501(c)(3) organizations throughout the footprint of PNC.

Unique Organizational Structure. PNCCM is PNC's designated provider of investment banking services, and PNC Bank provides credit and lending products. PNCCM bankers and PNC Bank relationship managers work together to provide comprehensive client solutions customized to meet specific needs. For financings that may involve bond underwriting or bank credit, we begin by evaluating the opportunities available in each market. The Tollway can evaluate these alternatives and develop its plan of finance taking into account various pricing levels, which can be updated as market conditions change.

Direct Benefit to the Tollway. PNCCM and PNC Bank have executed on our dual coverage model for the Tollway. In November 2016, PNC Bank was part of the bank group that provided a $107 million letter of credit to support the Tollway's Series 2007 A-2b Bonds. In November 2015, PNCCM also served as co-manager on the Tollway's $400 million Toll Highway Senior Revenue Bonds, 2015 Series B.

Our integrated structure distinguishes PNCCM and PNC Bank from most traditional broker-dealers and commercial banks, because it enables our group to develop creative solutions specifically designed to meet the financing needs of a municipal issuer. Accordingly, clients can be assured that they will be presented with multiple financial solutions that can meet various financial goals.

An Extensive and Fully Integrated Public Finance Platform



Note: Public finance lending and banking services are offered through PNC Bank, while capital markets and investment banking products are provided through PNCCM.

A Leader in Variable Rate Remarketing Capabilities. PNCCM maintains a sizable and established remarketing book, and consistently leads the market in the placement and remarketing of variable rate demand bonds ("VRDBs"). As of January 1, 2017, PNCCM ranks 6th amongst all dealers for the number of VRDB remarketings by issue and ranks 10th by total VRDB par size. The Firm serves as remarketing agent for various modes including, daily, weekly, annual, and multi-year terms.

The size and depth of PNCCM's remarketing book enhances the relationship with money market and short-term bond funds. With our knowledge of short-term products and proven experience in the short-term municipal market, PNCCM is well positioned to deliver competitive market pricing and results for clients.

Please note that, if PNCCM were to be selected as remarketing agent for the Tollway, PNCCM would propose using weekly mode interest re-set frequency, 8 basis points remarketing fee, standard provisions in the remarketing agreement and a PNC Bank LOC securing the bonds.

- *Indicate if your firm is a minority, female, veterans or disabled – owned business enterprise.*

PNCCM is not a minority, female, veterans or disabled – owned business enterprise. However, PNCCM's Tollway capital markets finance team is diverse and led by two women, Elizabeth Coolidge and Allison Pink, and PNC Bank's relationship manager for the Tollway, Jonathan Casiano, is of Puerto Rican descent. Further, women and minorities are well represented on our board of directors and within our public finance department. On a corporate level, PNC actively promotes diversity on a day-to-day basis. One important initiative that PNC has undertaken in recent years is our Supplier Diversity Program. Our objective is to provide MBE/WBE/MWBE/DVBE's with opportunities to sell value-added products and services to PNC. PNC's preferred vendor list currently includes more than 1,700 MBE/WBE/MWBE/DVBE's.

PNCCM, as senior manager for the Tollway's upcoming transactions, will work diligently with the Tollway to ensure that we meet all MWDBE standards established for the Tollway's transactions. PNCCM recognizes the importance of and commitment to MWDBE organizations, supports their inclusion, and looks forward to having such firms on the deal team.

- *Provide a listing of your transportation clients within the past three years, noting the services provided.*

Below please find a listing of PNCCM and PNC Bank's transportation clients since 2014. This list also shows PNCCM's Transportation Finance Group members' clients during their time at a prior firm. In aggregate, these lists include over 50 different clients and there is significant overlap between the lists.

PNCCM Senior Managed Clients	PNCCM Co-Managed Clients	PNC Bank Clients (DPs, LOCs, Lines)	Prior Firm Senior Managed Clients	Prior Firm Co-Managed Clients
Canaveral Port Authority	Illinois State Toll Highway Auth.	Illinois State Toll Highway Auth.	Illinois State Toll Highway Auth.	Illinois State Toll Highway Auth.
Pennsylvania Turnpike Com.	Triborough Bridge & Tunnel Auth.	Wayne County Airport Authority	Pennsylvania Turnpike Com	New York MTA
Eerie Parking Authority	Chicago Transit Authority	City of Charlotte, NC Airport	City of Atlanta, GA Airport	City of Houston, TX Airport
Westmoreland County Airport	New York MTA	Alabama Highway Corporation	New York MTA	Virginia Port Authority
Burlington Bridge Comm.	Greater Orlando Aviation Auth.	Met. Washington Airports Auth.	San Diego Regional Airport	Maine Turnpike Authority
Pittsburg Parking Authority	Pennsylvania Turnpike Com	Southeastern PA Transit Auth.	NYS Thruway Authority	New Orleans Aviation Board
Ohio DOT	Kenton County Airport Board	Greater Orlando Aviation Auth.		Texas Transportation Comm.
City of Columbus, OH	Indianapolis Airport Authority	New York MTA		Pennsylvania Turnpike Com
New Hanover County, NC	Kentucky Turnpike Authority	Indianapolis Airport Authority		Dallas Area Rapid Transit
Greater Cleveland RTA	New Jersey Turnpike Authority	City of Philadelphia, PA Airport		Milwaukee County, WI Airport
Fairfax County EDA (C)	KY State Property & Building	City of Cleveland, OH Airport		Connecticut (STO)
City of Columbus, OH (C)	Kentucky Asset/Liability Comm.	Delaware DOT		Los Angeles Harbor Dept.
State Road & Tollway, GA (C)	Wayne County Airport Authority	Chicago Transit Authority		Dallas-Fort Worth Int. Airport
New York MTA (C)	Ohio DOT	Columbus Regional Airport		Niagara Frontier Transportation
KY State Property & Building	NJ Transportation Trust Fund	Canaveral Port Authority		Chicago Transit Authority
City of Charlotte Airport (RA)	City of Charlotte, NC Airport	Gulf Coast Seaport		City of Chicago, IL Airports
	Osceola County, FL Expressway	Southeast Parking Authority		Met. Washington Airports Auth.
	City of Atlanta, GA Airport	Mid-Atlantic Region Airport		Grand Parkway Transport Corp.

PNCCM Senior Managed Clients	PNCCM Co-Managed Clients	PNC Bank Clients (DPs, LOCs, Lines)	Prior Firm Senior Managed Clients	Prior Firm Co-Managed Clients
		Bi-State Development Agency		Triborough Bridge & Tunnel
		Capital Region Airport Authority		
		Pennsylvania Turnpike Com		

Notes: (C) denotes a competitive transaction, (RA) denotes a role of remarketing agent; the senior managed client lists also include joint-senior, the co-managed client lists also include co-senior; Eric Golynsky's prior firm experience includes January 2014 through June 2014 and Amanda Parker's prior firm experience includes January 2014 through April 2015.

- *Provide a listing of up to five additional clients that you deem particularly representative of the services requested by this RFP.*

PNCCM's experience and success in the municipal market can be explained by our clients. Below the Firm provides five clients for which it has served as senior and co-senior managing underwriter over the past year.

State of Illinois	City of Chicago	Board of Education of the City of Chicago	State of Wisconsin	City of St. Louis
$1,303,145,000 General Obligation Refunding Bonds, Series of October 2016 ***Co-Senior Manager***	$526.3 million Second Lien Water Revenue Bonds, Series 2000, 2004, and 2016A ***Senior Manager***	$178.1 million GO Alternative Revenue Refunding Floating Rate Notes $300.0 million GO Alternative Revenue Fixed Rate Bonds ***Senior Manager***	$33.6 million Master Lease Certificates of Participation ***Senior Manager***	$11.8 million St. Louis Municipal Finance Corporation Refuse and Municipal Garage Projects Leasehold Revenue Bonds ***Senior Manager***

- *Please describe your firm's underwriting experience for tax-exempt obligations of issues of $100 million or more of transportation revenue bonds.*

Since January 1, 2014, PNCCM has served as underwriting manager on 20 transportation revenue bonds transactions with deal size exceeding $100 million totaling $11.5 billion, including six senior, joint-senior, and co-senior managed transactions totaling $2.2 billion. In order to provide a list of 30 transactions that we deem most representative of our abilities to provide senior managing services, we also included senior managed transportation revenue transactions with total par less than $100 million. See Tab 9 for the list of 30 selected transportation revenue transactions that PNCCM has served as senior, joint-senior, co-senior, and co-manager on since January 1, 2014.

Tab 4(b) - Experience / Qualifications of Personnel

- *Identify the firm representative who would be directly responsible for overseeing this engagement.*

Elizabeth Coolidge, Managing Director, is the firm representative who would be responsible for overseeing this engagement.

- *Provide a staffing plan listing the individuals who would be assigned to the Tollway.*

PNC brings an extremely experienced finance team to the Tollway led by Elizabeth Coolidge, Managing Director. Ms. Coolidge is the head of the firm's public finance capital markets team in the Midwest region and brings over 25 years of public finance investment banking experience to the Tollway. Throughout her career, Ms. Coolidge has served as lead banker for municipal transactions totaling over $25.0 billion, including numerous transactions for issuers in Illinois, including co-senior manager for the State of Illinois' $1.3 billion GO Refunding Series of October 2016 and senior manager for the City of Chicago's $526.3 million Second Lien Water Revenue Bond 2016 transaction. Allison Pink, Director, Yousaf Malhance, Senior Associate, and Gina Barbato, Analyst, will provide the Tollway with quantitative analysis and capital markets transaction support. Ms. Pink brings over nine years of municipal finance experience to the Tollway with recent senior managed experience in Illinois that includes the City of Chicago and Chicago Public Schools transactions.

PNC's dedicated Transportation Finance Group is led by Eric Golynsky, Director, and Amanda Parker, Director, will provide the Tollway with quantitative analysis and capital markets transaction support. Mr. Golynsky has 11 years of municipal finance experience, including seven years as a transportation specialist. Mr. Golynsky joined PNC in 2014 to create its Transportation Finance Group. Ms. Parker has over six years of municipal finance experience and joined PNCCM in 2015 to support PNCCM's Transportation Finance Group. During their five-plus years at a prior firm, they served on 44 senior managed transportation issues totaling nearly $10.0 billion, including serving as senior manager on toll or highway revenue bond financings for the Tollway (Series 2014D, on which Ms. Parker served as the primary quantitative, credit, and support banker), Pennsylvania Turnpike Commission, North Texas Tollway Authority, State of Connecticut, and Michigan DOT. Since the Transportation Finance Group was formed in 2014, PNCCM has served as senior manager on relevant financings for Pennsylvania Turnpike Commission, Ohio DOT, and Indianapolis Airport Authority and has been appointed to relevant underwriting pools for Pennsylvania Turnpike Commission, North Texas Tollway Authority, Chicago Transit Authority, Delaware River Joint Toll Bridge Commission, Northern Virginia Transportation Authority, and New York MTA.

The Tollway will benefit from the commercial banking expertise of Jonathan Casiano, Senior Vice President, who will provide financing solutions supported by PNC Bank's balance sheet, as appropriate. In addition, Shahin Zandfard, CFA, Managing Director, and the head of municipal underwriting, sales, and trading, will oversee the pricing and sale of the Tollway's bond transactions. Mr. Zandfard is responsible for overseeing the pricing and sale of all of the municipal bond issues brought to market by PNCCM, managing PNCCM's staff of municipal traders and salespeople, trading bonds on the secondary market nationwide, and developing secondary market products. Mr. Zandfard will be assisted by Mark DeNick, Managing Director, who is a trader in PNCCM's Municipal Trading Department and will serve as the lead underwriter for the Tollway's transactions. Rob Leppert, Managing Director and Sales Manager, will lead the Firm's sales effort for the Tollway's transactions, including disseminating all marketing materials to the PNCCM sales force and to our extensive distribution networks of institutional and retail buyers. Our underwriting and sales teams will work together to execute on PNCCM's marketing strategy for the Tollway as detailed in our response under Tab 6(b). These professionals, along with our dedicated municipal analytics group, will identify and target existing and potential new investors in order to market the Tollway's bonds to the largest and most diverse buyer base as possible. PNCCM will also coordinate an investor presentation for the Tollway, set up one-on-one calls with interested investors, and distribute marketing materials throughout our expansive distribution network. PNCCM has extensive experience executing customized marketing plans for transportation issuers and Illinois credits. As an example, PNCCM, in 2016, senior managed a water revenue transaction for the City of Chicago that included an extensive investor outreach campaign consisting of an online investor presentation that was disseminated to over 200 institutional account, 14 one-on-one investor calls, and a site tour led by the City's water commissioner. These efforts resulted in a total order book consisting of 107 institutional accounts, including 18 investors that were new to the City's water credit. PNCCM would utilize similar techniques as senior manager when marketing the Tollway's upcoming financing.

In addition, PNCCM has a municipal strategist, Tom Kozlik, Managing Director, who has very strong relationships with the investor community along with an extensive background in municipal credit. Mr. Kozlik will provide the finance team with valuable investor insights as well as serve as a critical resource for the banking team when drafting rating agency recommendations and materials. The below table illustrates the entire PNC Public Finance team that will be dedicated to the Tollway's upcoming financings.

Role	Professional	Background and Experience Applicable to the State	Years with PNC	Years of Exp.
		Public Finance Investment Banking - PNCCM		
Engagement Leaders (Chicago, IL)	Elizabeth Coolidge *Managing Director*, Head of Midwest Public Finance	Served as lead banker on over $25.0 billion of municipal securities offerings for issuers in the states of Illinois, Missouri, Wisconsin, and Indiana / Since joining PNCCM, Ms. Coolidge has senior and co-senior managed 10 transactions for Illinois issuers totaling approximately $5.2 billion in total par, including the State of Illinois' $1.3 billion GO Refunding Bonds Series of October 2016 transaction for which PNCCM was co-senior manager / Major clients include the Illinois Toll Highway Authority, State of Illinois, City of Chicago, Chicago Transit Authority, Chicago Public Schools, and the State of Wisconsin	3	25+
	Allison Pink *Director*	Since joining PNCCM, Ms. Pink has served as lead quantitative banker on 10 senior and co-senior managed transactions for Illinois issuers totaling approximately $5.2 billion in total par, including the State of Illinois' $1.3 billion GO Refunding Bonds Series of October 2016 transaction for which PNCCM was co-senior manager. / Provides banking support to all of the Firm's major government clients in Ilinois / Served as support banker on PNCCM's $526 million senior managed transaction for the City of Chicago's Second Lien Water Revenue Bonds in May 2016	3	9
Engagement Team (Chicago, IL)	Yousaf Malhance *Senior Associate*	Joined PNCCM in July 2016 / Provides banking and analytical support to major government and healthcare clients in Illinois, Missouri, Wisconsin, and Indiana	<1	7
Engagement Team (New York, NY)	Gina Barbato *Analyst*	Provides analytical support to major government clients in Illinois, Missouri, Wisconsin, and Indiana / Served as quantitative analyst on PNCCM's $526 million senior managed transaction for the City of Chicago's Second Lien Water Revenue Bonds in May 2016	2	1+
		Public Finance Banking - PNC Bank		
Transportation Finance Team (New York, NY)	Eric Golynsky *Director*, Head of Transportation Finance Group	Leads the Transportation Finance Group in assisting surface transportation, airport, and seaport issuers with their financing needs / Executed nearly $15 billion senior managed financings for issuers around the country in his career	3	11
	Amanda Parker *Director*, Transportation Finance Specialist	Provides quantitative and banking services to surface transportation, airport, and seaport issuers / Served on more than $4.5 billion of senior managed transportation financings	2	6+
		Public Finance Banking - PNC Bank		
	Jonathan Casiano *Senior Vice President*	Head relationship manager for the Tollway and other major government issuers in Illinois / Responsible for relationships with clients in the large government space within the states of Illinois, Missouri and Wisconsin / Led PNC Bank's provision of $107 million in credit to the Tollway	6	6
	Fadzai Mugobogobo *Associate*	Supports relationship teams across the large government, higher education and non-profit segments within the states of Illinois, Missouri, and Wisconsin	<1	3
		Municipal Underwriting, Trading, Remarketing & Sales - PNCCM		
Underwriting / Institutional Sales (Philadelphia, PA & Pittsburgh, PA)	Shahin Zandfard *Managing Director*, Head of Municipal Underwriting, Trading, Remarketing & Sales	Heads the pricing, trading, underwriting, and sales efforts for all of PNCCM's municipal issuances / Provided senior underwriting oversight on the Firm's four senior managed transactions totaling approximately $1.4 billion for Illinois issuers since 2014	23	30+
	Mark DeNick *Managing Director*, Head of Municipal Underwriting & Trading	Focuses on the pricing, trading, and underwriting efforts of fixed rate municipal securities / Served as lead underwriter on the Firm's four senior managed transactions totaling approximately $1.4 billion for Illinois issuers since 2014	12	15
	Rob Leppert *Managing Director*, Municipal Sales Manager	Heads PNCCM's institutional sales efforts of municipal securities / Led the sales effort for the Firm's four senior managed transactions totaling $1.4 billion for Illinois issuers since 2014	18	27
Municipal Analytics (Philadelphia, PA)	Tom Kozlik *Managing Director*, Municipal Strategist	Publishes municipal bond market commentary, researches the strengths and weaknesses of municipal market credit profiles, and evaluates municipal bond investment portfolios	1	16
	Matt Schiavi *Director*, Manager of Municipal Analytics & Operations	Focuses on data analytics for issuers including trading activity, bondholder analysis, and market updates / Provided comprehensive analysis for PNCCM's $526 million senior managed transaction for the City of Chicago's Second Lien Water Revenue Bonds in May 2016	8	5

- *The Offeror shall provide references for three transactions within the past twelve months.*

PNCCM's experience and success in the municipal market can be explained by our clients. In Tab 9, the Firm provides three client references for which PNCCM served as senior managing underwriter and Elizabeth Coolidge served as the primary contact within the past twelve months.

***Planned Changes**: Describe any potential or planned changes or initiatives that, in the next twelve months, could significantly change any of the information provided regarding the firm and its personnel.*

Over the last two years, PNCCM has hired ten public finance investment bankers to expand the resources dedicated to transportation, higher education, healthcare, and major government clients across the PNC Footprint. Our Firm continues to add professionals and capabilities, in contrast to many firms that have cut personnel, curtailed public finance operations, or have exited the business entirely. Of particular note for the Tollway, PNCCM hired Eric Golynsky, Director, and Amanda Parker, Director, in 2014 and 2015, respectively, to form the Transportation Finance Group.

PNCCM does not have any potential or planned changes or initiatives that, in the next twelve months, could significantly change any of the information provided regarding the firm and its personnel.

Tab 5 - Financial Capacity: *Provide your firm's total capital and uncommitted excess net capital as of each of the most recent quarter ends available and the most recent two fiscal year ends available.*

PNCCM has a strong capital position and has historically supported relationship transactions when needed. As of December 31, 2016, PNCCM has approximately **$383 million** of uncommitted excess net capital for trading and underwriting activities, which equates to an underwriting capacity of over **$5.47 billion**. Below is our Firm's total capital and uncommitted excess net capital as of each of the most recent quarter ends available and the most recent two fiscal year ends available. Our uncommitted excess net capital as stated below is available in full to municipal bond underwriting if needed and not being utilized elsewhere within capital markets.

	December 31, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Total Capital	$565,582,401	$534,449,044	$494,731,195	$472,770,689
Net Capital	383,458,245	392,081,178	377,338,594	382,174,711
Equity Capital	565,582,401	534,449,044	494,731,195	472,770,689
Excess Net Capital	383,208,245	391,831,178	377,088,594	381,521,024
Underwriting Capacity	**$5,474,403,500**	**$5,597,588,257**	**$5,386,979,914**	**$5,450,300,343**

In today's challenging municipal market, capital has become increasingly important when selecting a senior managing underwriter. PNCCM's strong capital structure and willingness to commit capital in support of its negotiated underwritings allows the Tollway to realize more efficient and cost-effective financing. PNCCM prides itself on achieving competitive pricing for its clients and routinely deploys its capital in support of that goal – as an underwriter for the Tollway, we would certainly be willing and able to do so. PNCCM has never senior- or sole-managed a transaction that was not completed due to PNCCM's reluctance to take down bonds. The Firm has supported over 70% of its sole or senior managed transactions over the past two years. Below we provide several recent and relevant examples of our ability and willingness to underwrite bonds.

Sale Date	Issuer	Role	Liability	Par ($000)	Underwritten Par ($000)	% Underwritten
11/1/2016	Canaveral Port Authority	Senior	70.0%	64,595	7,655	11.85%
10/26/2016	Michigan Finance Authority	Senior	50.6%	293,115	39,280	13.40%
5/24/2016	Pennsylvania Turnpike Comm.	Senior	45.0%	649,545	77,505	11.93%

Additionally, PNCCM regularly commits capital in support of large issuances in which PNCCM is part of the syndicate. In today's market, often times investors are reluctant to provide reads prior to the order period. As policy, PNCCM's practice is to support the transaction by placing orders at or above liability at the release of the scale to generate pricing momentum.

Tab 6 - Technical Approach

Tab 6(a) – Technical Approach – Structuring (only Senior Pool applicants to respond)

- *Identify and describe recommendations and strategies your firm would propose to best position the Tollway to achieve a favorable cost of borrowing during the years 2017-2021 on its estimated $1.6 billion of projected new money bond issuance.*

Over the next five years, the Tollway plans to issue $1.6 billion of new debt to finance a portion of the *Move Illinois Capital Program*. Based on our experience working with the Tollway, the Tollway's existing debt profile and additional publicly available information, PNCCM has developed a financially conservative plan of finance with a focus on the following goals:

1) Minimize the Tollway's cost of borrowing to finance the *Move Illinois Capital Program*
2) Minimize new debt through FY 2038 to help maintain minimum senior lien debt service coverage levels above 2.0x and support the Tollway's current senior lien AA-category ratings
3) Take advantage of current market opportunities, including the flatness on the long-end of the yield curve
4) Opportunistically reduce synthetically fixed variable rate exposure and the associated risks
5) Maximize future structuring and refinancing flexibility

PNCCM's plan of finance seeks to achieve these goals through five primary recommendations:

- Continue to structure new money issues as wrap-around debt service rather than level debt service
- Consider issuing 30-year debt, which would require legislative approval
- Issue a portion of the new money under the junior lien to preserve senior lien coverage levels and future borrowing capacity
- Monitor refunding opportunities and confirm the ability to execute a crossover refunding of the Series 2009A callable BABs
- Monitor the swap market for opportunities to fix out synthetic fixed rate bonds

New Money Structuring Alternatives. PNCCM has analyzed four structuring alternatives for the 2017 to 2021 bond issues based on the sizing assumptions included in the RFP: 1) 25-Year Wrapped Debt; 2) 25-Year Level Debt; 3) 30-Year Wrapped Debt; 4) 25-Year Wrapped Debt with the 2017 and 2018 issues on the Junior Lien and the remaining issues on the Senior Lien. Our analysis assumes current market rates for the 2017 and 2018 issues and current market rates + 100 basis points for the 2019-2021 issues. Additional assumptions include a bond-funded DSRF deposit to cover incremental aggregate MADS, $5 combined costs of issuance, and annual delivery dates on June 1st. PNCCM recommends all new money be issued on a fixed rate basis to take advantage of the flatness of the yield curve combined with low absolute rates. This will also avoid increasing reliance on bank capacity, which is currently required to support the Tollway's $1.178 billion in hedged variable rate exposure and help achieve the goal of reducing variable rate exposure as a percentage of overall debt. Our analysis results are detailed in the table below followed by a discussion of each financing alternative.

$1.6 Billion 2017-2021 New Money Structuring Alternatives

	25-Year Wrapped	25-Year Level	30-Year Wrapped	25-Year Wrapped 17/18 Jr, 19-21 Sr
Principal Amortization	2041-2046	2018-2046	2042-2051	2041-2046
Aggregate Par Amounts ($mm)	1,594,200	1,594,200	1,647,820	1,589,340
Aggregate DSRF Deposits ($)	79,177	113,721	78,600	79,467
Avg. Annual D/S Through 2038 ($mm)	**69,834**	**101,920**	**69,138**	**70,118**
All-In-TIC	4.568%	4.237%	4.617%	4.595%
New Aggregate MADS ($mm)	544,990	579,526	544,413	79,467
New Minimum Senior Coverage (x)	**2.39x**	**2.25x**	**2.39x**	**2.57x**
New Minimum Junior Coverage (x)	N/A	N/A	N/A	2.39x
NPV of New Debt Service @ 4% ($mm)	**1,669,196**	**1,610,362**	**1,691,235**	**1,675,830**

25-Year Wrapped Compared to 25-Year Level Financing. All of the Tollway's outstanding new money issues going back to 2007 have wrapped the principal amortization around the Tollway's existing debt, an approach PNCCM recommends the Tollway continue going forward based on our analysis results and current market conditions. Based on the all-in-TIC, the level financing approach with a 25-year final maturity provides the lowest cost financing alternative with an all-in TIC of 4.237% for the level debt approach versus 4.568% for a wrap-around structure. However, nearly all of the level debt would amortize over the Tollway's existing debt profile, which is elevated over $400 million annually through FY 2038, constraining long-term financing capacity. The 25-year level approach generates an average of $32 million in additional annual debt service through FY 2038 relative to the 25-year wrapped approach.

On a present value basis, this wrapped structure costs only 3.7% more than level debt structure. This can be clearly seen in a comparison of the minimum senior coverage levels after the $1.6 billion in new money bonds are issued, with the 25-year wrapped approach maintaining a minimum coverage level 14 basis points higher than the 25-year level debt approach (2.39x vs. 2.25x). The higher minimum coverage levels support the Tollway's current credit ratings and provide an additional buffer in the event of an unanticipated disruption affecting revenues or market access. Finally, the use of a wrap-around structure locks in the current low long-term interest rates and provides a natural hedge against rising interest rates that will provide additional capacity to allow the Tollway to issue future bonds on the shorter end of the yield curve.

30-Year Final Maturity. In addition to deciding between a level or wrap-around financing structure, the Tollway should consider taking advantage of capacity beyond 2040 and the current flatness of the long end of the yield curve by issuing debt with a 30-year final maturity rather than a 25-year final maturity. This is a practice used by many other highly rated toll road issuers around the country, but would require legislative approval, which the Tollway has explored in the past. With only a 5 basis point premium to extend the final maturity from 25-years to 30-years in the current market, there is no impact on minimum coverage levels and only a 1.38% increase in present value costs.

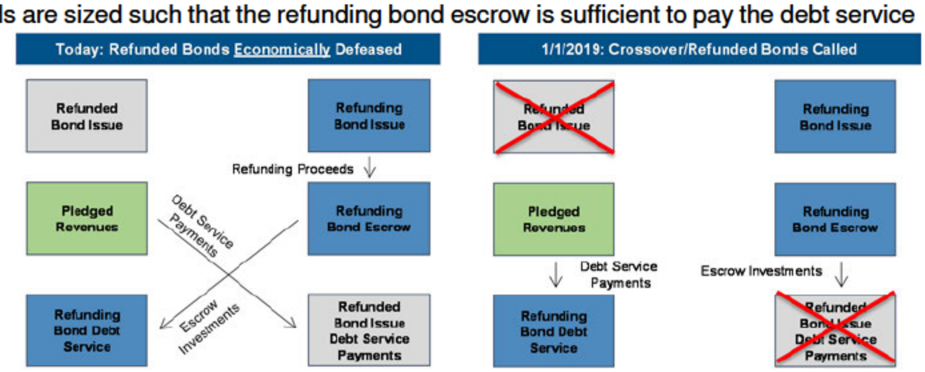
Junior Lien Debt. Given the size and scope of the planned borrowings, we believe that it may be prudent for the Tollway to consider issuing a portion of the new money bonds as junior lien debt to maximize financing flexibility and to preserve senior lien capacity and credit strength. This was an approach we recently recommended to the Chicago Transit Authority, which implemented it with their January 2017 $296.220 million issue of second lien bonds, their first second lien issuance after issuing several billion in senior lien debt. This proactive strategy takes advantage of the current low interest rate environment and compression of credit spreads. Just as the Tollway maintains an internal policy of 2.0x for debt service coverage on the senior lien bonds, it could also develop a 1.50x to 1.75x coverage target for its junior lien bonds. The issuance of junior lien bonds should also diversify the Tollway's investor base, attracting investors looking for more yield than typically offered by the senior lien. Finally, the Tollway would have more flexibility to issue junior lien bonds in earlier years and cater to investor classes with a desire for a shorter duration, including retail, since it would not impact senior lien coverage.

As an example of the impact of using a junior lien, in the fourth structuring alternative we have assumed the 2017 and 2018 financings are both issued on a junior lien basis that is rated one notch lower than the senior lien and carries a 25 basis point premium to the Tollway's senior lien. The use of the junior lien in 2017 and 2018 slightly increases overall financing costs by only 3 basis points relative to the all senior 25-year wrapped approach. However, the real advantage of this strategy is related to debt service coverage. As shown above, by issuing $700 million of junior lien bonds in 2017 and 2018, the Tollway will increase the level of minimum senior lien coverage to 2.57x and still maintain healthy junior lien coverage of 2.39x. This will help bolster the senior lien rating profile and will also provide greater flexibility in managing interest rate risk in the future.

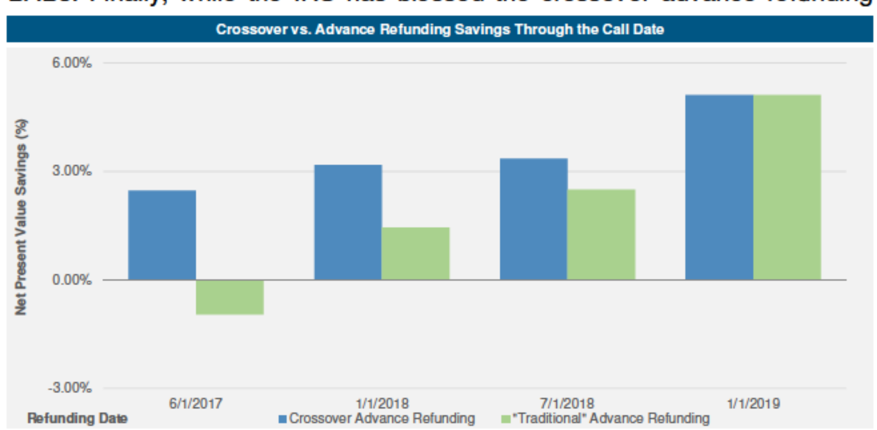
- *Provide refunding recommendations and other strategies for managing the Tollway's bond portfolio during the next five years.*

Series 2009A ($100 million, 2024 Term) Build America Bonds ("BABs") Crossover Advance Refunding Discussion. As previously presented to the Tollway in our February 2016 meeting, a crossover advance refunding is a financing mechanism permitted under Treasury Regulation section 1.148-10(c)(4) whereby the issuer sells refunding bonds to lock-in rates and economically defease the refunded bonds today; however, the refunded bonds remain legally outstanding until the call date. This would allow the Tollway to continue receiving the Federal subsidy interest payments on the BABs through the call date since a "reissuance" or legal defeasance does not occur (subject to bond counsel review).

In a crossover refunding, the refunding bonds are sized such that the refunding bond escrow is sufficient to pay the debt service payments on the refunding bonds through the call date of the refunded bonds such that no incremental debt service payments are owed by the Tollway during the escrow period. On the call date of the refunded bonds, the refunding bond proceeds "cross over" to pay the refunded bonds (BABs) principal and premium like a "traditional" advance or current refunding. A diagram illustrating the mechanics of a crossover refunding is provided below.



The Tollway should keep in mind that this process requires two series of bonds to be outstanding simultaneously until the call date of the BABs which will impact bond authorization amounts. In addition, cash flow savings are deferred until the call date of the BABs. Finally, while the IRS has blessed the crossover advance refunding approach at a recent NABL conference, tax counsel may have differing views on passing the "first call rule" in Section 149(d)(3)(A)(ii) and (B)(i). This may be less likely to be an issue for these callable BABs as they are only subject to optional redemption at par and not optional make-whole redemption – however, this may depend on how the extraordinary optional make whole redemption feature is viewed. PNCCM recommends the Tollway have its Bond Counsel review this approach and we would be happy to discuss this topic with Bond Counsel at the Tollway's direction.



The "traditional" advance refunding, given the subsidy elimination and the requirement to gross fund the escrow at the full taxable coupon, generates $950,000 in NPV *dissavings*, or negative 0.95% of refunded bonds par. **In comparison, the crossover advance refunding scenario generates positive savings of nearly $2.5 million, or 2.5% of refunded par assuming current market rates, a refunding of the entire 2024 term bond, and a June 2017 delivery date. It would take another 12 months at current market rates for the traditional advance refunding savings to match the crossover advance refunding savings.**

Series 2010A-1 Taxable Advance Refunding. PNCCM has evaluated a refunding of the $274.9 million Series 2010A-1 Bonds callable on January 1, 2020. Since the use of proceeds of the Series 2010A-1 Bonds traces back to an advance refunding, the Series 2010A-1 Bonds are not advance refundable on a tax-exempt basis. They are eligible to be advance refunding on a taxable basis or, alternatively, current refunded on a tax-exempt basis up to 90 days prior to their call date.

To mitigate future interest rate risk in a rising rate environment and lock in savings, several issuers have executed taxable advance refundings of non-advance refundable bonds. Assuming an individual savings threshold of 3% for the Series 2010A-1 Bonds, **$145.69 million of the Bonds would represent viable taxable advance refunding candidates** and the Tollway would be able to achieve **present value savings of $5.98 million (4.11% of refunded par) at current taxable rates.** However, given the nearly three year escrow and taxable rates, none of the candidates meet a 50% efficiency target. PNC notes that an advance refunding also generates significant negative arbitrage and exposes the Tollway to the possibility of not maximizing refunding savings, especially given the Tollway's ability to current refund these on bonds a tax-exempt basis. PNCCM recommends the Tollway include the ability to refund the 2010A-1 bonds in future bonds resolutions, but require a higher savings threshold than a tax-exempt advance refunding. Please see Appendix A for a summary of the Series 2010A-1 advance refunding monitor.

Assessing Future Advance Refunding Opportunities with PNCCM's ReVal Refunding Decision Tool. Every issuer which considers an advance refunding must balance the known benefit of refunding savings today versus the potential for future risks to increase or decrease refunding savings. To assist our clients with this "go / no-go" decision based on their specific refunding criteria and thresholds, PNCCM has developed the ReVal option value model, which utilizes a proprietary forecasting engine to project future rates and simulate 10,000 refundings on a quarterly basis through maturity for each candidate. Unlike other option models, ReVal relies on repeated sampling of actual historical rate movements over long periods to derive the most unbiased expectation of future rates and projects tax-exempt and US Treasury (escrow yield) interest rate paths together.

The ReVal analysis defines a Peak Present Value Savings ("PPVS"), which is simply the highest savings on average of any possible future refunding period (stated in today's dollars). This enables issuers to evaluate today's present value savings against the PPVS and measure refunding efficiency. For the Tollway's Series 2013A Bonds, which are the next series of callable and advance refundable bonds and detailed in the table below, none of the candidates currently meet the Tollway's 3% minimum criteria. The 2027 maturity is the most efficient, where the 1.55% savings today is 23.95% of the calculated PPVS of 6.49%, which occurs just prior to the 1/1/2023 call date. Additional model output is included in Appendix A. While the 2013A Bonds are currently out of the money, the Tollway could use the ReVal model to track its advance refunding candidates and develop a refunding efficiency criteria that complements the 3% target in its debt management guidelines to provide a strong foundation for future advance refunding decisions.

Option Valuation Analysis for Series 2013A Bonds Currently Generating Positive Savings

		Option Valuation Results with 3.0% Refunding Criteria			
Maturity (all 5% coupon)	Bond Par	Intrinsic Value (Baseline Savings)	PPVS (Maximum Savings)	Refunding Efficiency (Intrinsic Value / PPVS)	Time Value (PPVS - Baseline)
1/1/2027	$13,605,000	**1.55%**	**6.49%**	**23.95%**	4.93%
1/1/2028	$14,285,000	**1.60%**	**7.50%**	**21.39%**	5.89%
1/1/2029	$15,000,000	**1.37%**	**8.42%**	**16.32%**	7.04%
1/1/2030	$15,745,000	**0.98%**	**9.22%**	**10.57%**	8.25%
1/1/2031	$16,535,000	**0.61%**	**9.91%**	**6.18%**	9.30%
1/1/2032	$17,360,000	**0.40%**	**10.53%**	**3.83%**	10.13%
1/1/2033	$18,230,000	**0.15%**	**11.11%**	**1.33%**	10.96%

Swap Portfolio Considerations. The Tollway currently has $1.178 million of outstanding variable bonds all of which are hedged with fixed-payer swaps. One of the Tollway's ongoing objectives is to reduce the risks associated with its synthetic fixed rate bond portfolio and the related reliance on bank facilities. In addition, the Tollway has established criteria to consider terminating swaps if the cost of the refunding fixed rate debt is not more than 50 bps above the all-in borrowing rate of refunded synthetic fixed rate debt. To identify the cost of refinancing its variable rate bonds with fixed rate bonds in the current market, PNCCM has summarized in the table below the current estimated termination values of each swap and the fixed rate refunding all-in-TIC for each swap, assuming a uniform savings structure, 50 bps of support costs and no basis mismatch.

Summary of Tollway Outstanding Swaps, Termination Values and Refunding Costs at Current Market Rates

Related Bonds	Counterparty	Notional ($mm)	Fixed Rate Paid	Maturity	Current MTM ($mm)	Tollway Cost With Support Costs	Matched Maturity Fixout All-In-TIC
2007 A-1	Citi	$175,000	3.972%	2030	($34,470)	4.47%	**5.94%**
2007 A-1	Goldman	$175,000	3.972%	2030	($34,470)	4.47%	**5.94%**
2007 A-2	BAML	$262,500	3.993%	2030	($52,239)	4.49%	**5.97%**
2007 A-2	Wells Fargo	$87,500	3.993%	2030	($17,413)	4.49%	**5.97%**
2008 A-1	Bank of NY	$191,550	3.774%	2031	($33,361)	4.27%	**5.56%**
2008 A-1	Deutsche	$191,550	3.774%	2031	($33,361)	4.27%	**5.56%**
2008 A-2	BAML	$95,775	3.764%	2031	($16,588)	4.26%	**5.55%**

As shown in the table above, the cost of each natural fixed rate refunding is 128 to 147 bps above Tollway's current cost including assumed support costs. PNC will continue to monitor the bond and swap markets for opportunities to unwind the Tollway's swap portfolio and recommends the Tollway include flexibility in all of its new money and refunding bond resolutions to add fix out of any swaps that meet the 50bps criteria.

- *Provide descriptions of two or three recent examples of municipal financings that demonstrate your firm's creative skills and services.*

Below we provide case studies for PNCCM's recent senior managed transactions for the Pennsylvania Turnpike Commission, City of Chicago, and State of Wisconsin which demonstrate our firm's creative skills and services for the benefit of our municipal clientele as it relates to the structuring and underwriting of a bond financing.

PENNSYLVANIA TURNPIKE COMMISSION

$649,545,000 Turnpike Subordinate Revenue Refunding Bonds, Second Series of 2016

Ratings	A3 / A-	Tax Status	Tax-Exempt	Call Provision	10 year par call
Security	Pledge of the Trust Estate under the Subordinate Indenture consisting primarily of Commission Payments from amounts transferred from the General Reserve Fund				
Structure	Serial Bonds: June 1, 2021 – 2036; Term Bond: June 1, 2039				
Purposes	Advance refunded prior bonds for debt service savings				
Pricing Date	5/24/2016	Closing Date	6/7/2016	All-in TIC	3.27%

PNCCM served as the book-running senior managing underwriter on the Pennsylvania Turnpike Commission's (the "Commission's") $649,545,000 Turnpike Subordinate Revenue Refunding Bonds, Second Series of 2016 (the "2016B Bonds"). PNCCM led the syndicate composed of five other underwriters, consisting of two co-senior managers and three co-managers. The 2016B Bonds were issued to advance refund various outstanding Subordinate Lien Bonds for debt service savings. The transaction, rated "A3" by Moody's and "A-" by Fitch, priced on May 24, 2016.

PNCCM identified maturities across nine separate series of Subordinate Lien Bonds that were eligible under the Commission's refunding criteria, which resulted in total refunded par of approximately $674 million. In addition, PNCCM worked closely with the finance team to create a relatively uniform annual savings structure without extending the final maturity or changing the overall debt structure.

As the senior manager, PNCCM assisted the Commission with extensive and comprehensive investor outreach during the pre-marketing period to enhance the Commission's investor relations. Therefore, the PNCCM team coordinated with the Commission and its municipal advisors to create an investor presentation that was disseminated to targeted institutional and retail accounts throughout the distribution networks of the underwriting syndicate. In addition, the Commission was available for discussions with investors who had additional questions regarding the credit and structure.

Market conditions leading up to the pricing were less than ideal so PNCCM worked with the Commission and its municipal advisors on coupon strategies to attract a diverse and broad investor base given the market dynamics. Despite the market conditions, PNCCM built an order book consisting of over $937 million in total orders (1.4x subscription) from 68 different accounts. Given the level of investor interest, PNCCM was able to lower yields in certain maturities by 1 to 5 basis points from the pre-pricing scale. As the senior manager, PNCCM generated approximately 83.6% of the total orders ($784 million) from 52 different investors, and supported the transaction by underwriting approximately $77.5 million, or 12% of the par amount.

Overall, the transaction generated gross cash flow savings of $113.53 million and net PV savings of $74.39 million, or 11.03% of the refunded par. Moreover, the debt service savings structure enabled $6.2 million of excess cash to be released from the debt service reserve funds ("DSRFs") into the refunding escrow fund. Finally, to improve the escrow yield and optimize the portfolio, a combination of SLGS and OMS were utilized as the escrow fund securities.

CITY OF CHICAGO

$526,290,000 Second Lien Water Revenue Bonds, Series 2000, 2004, & 2016A

Ratings	A / AA / AA	Tax Status	Tax-Exempt / Taxable	Call Provision	Tax-exempt: 10 year par call Taxable: non-callable
Security	Second lien on the Net Revenues of the City's water fund				
Structure	Serial Bonds: November 1, 2016 - 2031				
Purposes	Converted $444.6 million of VRDBs to fixed rate, financed improvements to the water system, & repaid draws under a line of credit that were used to fund swap termination payments				
Pricing Date	5/11/2016	Closing Date	5/23/2016	All-in TIC	2.92%

PNCCM was pleased to serve as book running senior managing underwriter for the City of Chicago's (the "City's") $526,290,000 Second Lien Water Revenue Bonds transaction that priced on May 11, 2016. The deal consisted of four series of bonds including two reofferings totaling $444,575,000 (Series 2000 and Series 2004) issued to convert existing variable rate bonds to fixed rate, and two new money series totaling $81,715,000 (Series 2016A-1 and Series 2016A-2) issued to repay draws on a line of credit that were used to pay the swap termination associated with the swaps on the variable rate series. This transaction was critical for the City as it completed the Mayor's commitment to reduce taxpayer risk and improve the City's long-term financial health through the elimination of variable rate risk and swap exposure from the City's debt portfolios.

Following our appointment, PNCCM assisted the City in creating comprehensive rating agency and investor outreach materials. Given the nature of the proposed transaction and the elimination of variable rate risk and swap exposure, the City was successful in achieving an upgrade from S&P to "A" with a stable outlook and affirmation of current ratings from both Fitch and Kroll. PNCCM worked diligently with the City and its municipal advisors to explain the credit fundamentals of the water system, flow of funds, and legal protections to investors. Leading up to the transaction, the City undertook numerous investor outreach efforts including an investor tour of the Jardine water plant, a pre-recorded online investor presentation that was distributed to 200 buyers, and one-on-one calls with 14 separate institutional investors, which enabled the City to answer additional questions regarding the credit and structure.

PNCCM proposed a pre-marketing scale with spreads that were through all recent secondary trading levels, the consensus price views, and the spreads the City achieved on a similar wastewater transaction that priced in October 2015. At the onset of the order period, the transaction saw strong demand from a variety of accounts across the yield curve representing approximately $5.0 billion in total orders. PNCCM built an order book during the formal pricing period that consisted of 107 institutional accounts (100% of the transaction), including $548 million in orders from 18 new institutional investors to the City's water credit. In addition, PNCCM purchased the $5.7 million 2016 maturity of the Series 2016A-2 Bonds through the competitive sealed bid process. The transaction resulted in total subscription of approximately 10x, with oversubscription in certain maturities ranging from 2x to 27x. Given the level of investor interest, PNCCM was able to lower spreads by 7 bps to 17 bps across the curve from the pre-pricing levels. After the re-pricing, the final spread in 2031 was +113 bps to AAA MMD, compared to the +130 bps in the preliminary pricing wire.

STATE OF WISCONSIN

$33,645,000 Master Lease Certificates of Participation of 2016, Series A

Ratings	Aa3 / AA- / AA- / AA-	Tax Status	Tax-Exempt / Taxable	Call Provision	3/1/2021 Par Call
Security	Master Lease Certificates of Participation				
Structure	Serial Bonds: September 1 and March 1 2016 - 2023				
Purposes	Proceeds of the Certificates were used to fund Lease Schedules currently financed through a revolving credit facility provided by PNC Bank, N.A				
Pricing Date	6/23/2016	Closing Date	7/14/2016	All-in TIC	1.69%

PNCCM was pleased to serve as book running senior managing underwriter for the State of Wisconsin's (the "State's") $33.7 million Master Lease Certificates of Participation (the "Certificates") transaction. PNCCM led a syndicate composed of two co-managers. The Certificates were issued to fund lease schedules currently financed through a revolving credit facility provided by PNC Bank, N.A. ("PNC Bank"). The transaction generated $36 million in project funds to support the State's Master Lease Program. The transaction, rated "Aa3" by Moody's and "AA-" by S&P, Fitch, and Kroll, priced on June 23, 2016. This transaction also represents PNCCM's first senior managed capital markets deal for the State.

PNCCM worked with the State and its municipal advisor to structure a transaction that met all of the required Master Lease Program objectives and resulted in the lowest possible all-in cost of funding for the State. In addition, the State desired to achieve a Certificates maturity schedule that matched the maturity schedule of the individual underlying leases, with longer-dated leases amortizing in the final maturity of March 1, 2023. PNCCM worked with the State and its municipal advisor on coupon strategies to attract a diverse and broad investor base given the market dynamics. PNCCM also recommended conducting sealed bids for the two shortest maturities in 2016 and 2017.

With the UK's referendum to exit the European Union taking place on the evening of pricing, global market conditions leading up to the pricing were mixed. Uncertainty over the "Brexit" vote translated into about $1 billion of negotiated supply. With the investor community focused on the upcoming Brexit decision, some buyer resistance developed among the additional supply.

Despite uncertainty in the global markets, PNCCM built an order book consisting of over $80 million in total orders (2.4x subscription) from 18 institutional accounts, including $5.9 million in orders from three new institutional investors to the State's Certificates of Participation credit. As the senior manager, PNCCM generated approximately 64% of the total orders ($51 million) and supported the transaction by underwriting approximately $4 million, or 12% of the total par amount.

- *Provide your firm's ideas on how best to conduct a negotiated sale.*

Below we provide PNCCM's recommendations for a negotiated transaction based on the specifications stated in the RFP.

SYNDICATE COMPOSITION. When establishing the optimal underwriting syndicate, the Tollway should identify parameters that are in line with its objectives, including: partnering with financially stable and ethical underwriters; promoting strong M/W/DBE participation; generating competitive funding costs; ensuring strong underwriting capacity and commitment; maximizing investor demand; leveraging banking expertise and financial product breadth; promoting transparency and accountability; and supporting regional corporate citizens. Based on this criteria and the Tollway's recent syndicates, PNCCM would recommend that the Tollway select approximately nine members to its underwriting syndicate, consisting of two joint-senior managers (each with 25% liability), two co-senior managers (each with 12.5% liability), and five co-managers (each with 5% liability).

Syndicate Composition – Senior Manager. The strength of a firm's balance sheet and its willingness to commit capital is imperative when selecting a senior managing underwriter. To this point, the Tollway should appoint firms like PNCCM with available capital and broad platforms as joint-senior managers.

Syndicate Composition – Co-Managers. When assembling its co-managers, the Tollway will benefit from choosing strong national, regional, and state-specific underwriters with distribution capabilities that complement those of the senior manager(s) so as to maximize the potential investor universe. The Tollway should have an open and upfront dialogue with the co-managers regarding its expectations for maximizing marketing and distribution as well as strong commitment for balance sheet support to underwrite, at appropriate levels, unsold balances. Careful consideration should be given to the following:

- *Strong Illinois Presence.* Although the historically low interest rates have led to a weaker retail environment, the Tollway should leverage retail firms in the syndicate to monetize the captive true 'mom and pop' as well as proxy retail accounts.
- *M/W/DBE.* The Tollway should select at least one co-manager or co-senior manager to each underwriting syndicate from amongst the M/W/DBEs submitting competitive proposals.

- *Leverage Banking Partners.* The Tollway may reward business partners that are responsive to its credit, banking and financing needs, which will provide the Tollway with negotiating leverage during tougher markets.

DESIGNATION POLICY. PNCCM would recommend that the Tollway continue to utilize a group net structure with an order priority of 1) Group net, followed by 2) Member. If the Tollway were to structure bonds on the short end of the curve or in a more retail friendly rate environment, there could be an additional carve out that incentives retail participation. This structure also provides the benefit of providing the Tollway with full discretion over the economics that each firm receives and thus allows the Tollway complete control that firms are properly compensated based on their overall contributions, and that no firm receives a disproportionate share of the economics. To ensure all syndicate members are incentivized to maximize their participation in a financing, the Tollway could make clear that future assignments and liabilities will be contingent on their previous sales performance as well as member orders in any undersubscribed maturities.

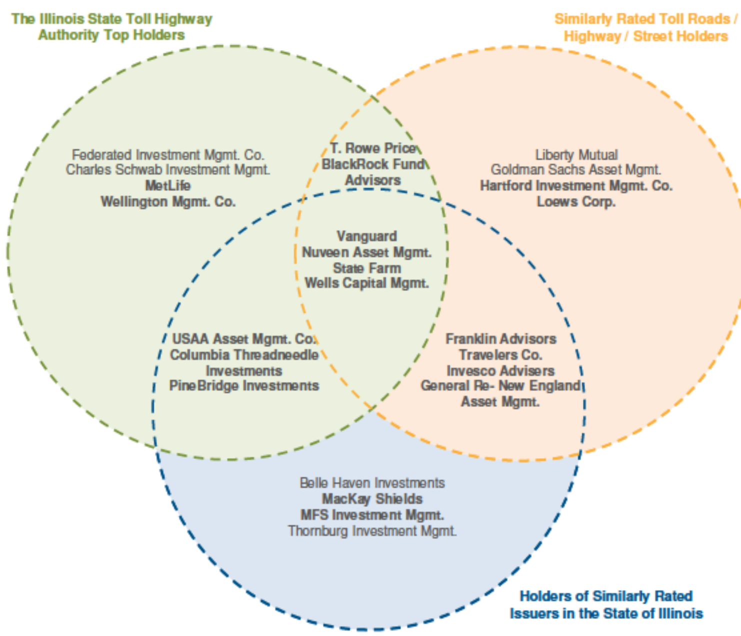
Tab 6(b) – Technical Approach – Marketing

Provide a marketing plan for Tollway bonds, assuming a $300 million senior lien fixed rate bond issue with maturities in years 15-25, which capitalizes on your firm's marketing strengths to help broaden the market for the Tollway's bonds.

PNCCM TARGETED MARKETING STRATEGY. It will be important for the Tollway to devise a customized marketing plan ahead of the upcoming bond issuances for the Tollway's large *Move Illinois Capital Program*. As senior manager, PNCCM would work to develop numerous strategies for investor education and targeted investor outreach, as detailed below, with the opportunity for direct interaction between Tollway officials and interested buyers. This type of targeted outreach is important to broaden the Tollway's potential investor base and achieve the lowest possible borrowing cost. Per the specifications stated in the RFP, this marketing plan assumes a $300 million senior lien fixed rate bond issue with maturities in years 15 through 25.

Identify key investor targets – please refer to Appendix B for a comprehensive investor target analysis

- *Target existing holders of the Tollway's bonds.* These investors have previously shown an interest in the Tollway's credit and could have a desire for more bonds – they represent anchor buyers who may be helpful to the Tollway with establishing pricing levels, stimulating demand, and driving investor momentum. In addition, current investors most likely already have the Tollway's credit approved internally which can be an extensive process, especially in the current market environment. These investors are identified in the upper left circle of the Venn diagram in the bondholder analysis below.
- *Target bondholders of similar credits.* While existing bondholders represent important targets for the Tollway, issuer concentration constraints can limit their ability to buy additional bonds. As such, the ability to broaden the investor pool by targeting those investors who have an expressed interest in similar credits but have yet to play a significant role in the Tollway's prior financings will assist in achieving the lowest overall borrowing cost by offsetting these capacity constraints. In order to increase the scope of the Tollway's potential pool, PNCCM would target current holders of similarly rated tax-exempt toll revenue bonds nationally and similarly rated tax-exempt Illinois bonds as shown in the Venn diagram on the right.
- *Consider the maturity structure and investor preferences.* PNCCM would do a deeper dive to determine more specific targets by examining bondholders in the 15-25 year maturity range as well as considering the types of buyers who would be more interested in those maturities. Please note that bond funds and insurance companies may exhibit the most interest in these bonds as bond funds are major buyers of municipal bonds across the yield curve and insurance companies generally target longer-dated maturities and highly rated credits. Of additional relevance, the Tollway's current investor universe is composed mainly of bond funds (84%) as well as insurance companies (14%). Individual retail, on the other hand, is not a major participant in the current municipal market, and retail proxies may participate on the deal but their role is likely to be relatively smaller given the longer maturity structure. The top bondholders in the 15 to 25 year maturity range are bolded in the Venn diagram to the right.



Source: Ipreo BD Advanced as of January 24, 2017 Although Ipreo is a valuable resource, differences exist between the total holdings as reported by Ipreo and the total actual par outstanding for any given issuer due to a variety of reasons, such as time lag, reporting requirements for certain holders, and the presence of retail investors, among others

- *PNCCM bondholder analysis.* Overall, as discussed above, based on PNCCM's comprehensive bondholder analysis we have identified a number of specific potential investor targets for the Tollway, including Franklin, Travelers, Invesco, and MacKay Shields. PNCCM's bondholder analysis approach has been very successful in marketing and placing bonds with new investors. Please see Appendix B for PNCCM's full bondholder analysis for the Tollway's bonds. Below we provide an overview of strategies to target these investors as well as additional marketing considerations.

Evaluate alternative bond structures. There are a number of structural elements that PNCCM will evaluate for the Tollway prior to pricing. One of the main considerations is coupon bifurcation which the Tollway can use to cater to different buyer segments, increase competition for bonds, and stimulate overall demand. PNCCM would also evaluate call optionality provisions prior to pricing as certain investors have shown a preference for shorter call dates at a lower nominal spread. PNCCM, as senior manager, will propose a bond structure that meets the financing goals of the Tollway and generates the greatest level of investor receptivity in the current market.

Keep the Tollway's webpage up to date. The Tollway's investor relations website (https://www.illinoistollway.com/about/finance) is one of the most effective investor relations websites in the industry. Disseminating information to the investing public as early as possible in the financing timeline will assist investors in their internal credit analysis and provide them more time to get the credit approved internally. We would suggest considering the addition of a section that gives visitors to the website an opportunity to sign up for email notifications when updates or additions are made available to the investor relations site. PNCCM would assist the Tollway in updating the website in any way that will benefit investor outreach.

Post an online investor presentation. PNCCM would work closely with the Tollway and its Financial Advisor to craft an online investor presentation in advance of any upcoming bond transactions. The Tollway has continued to create and distribute an investor presentation with each transaction to contribute to the successful transaction and we recommend that the Tollway continue this practice. This is an effective medium for the Tollway to inform investors about the plan of finance for the transaction and provide detailed accounts of its underlying credit strengths. Despite the Tollway's strong credit ratings, investors are doing their own independent credit analysis prior to investing in a new issue so PNCCM believes this type of outreach is important for all large transactions.

Initiate direct contact with investors. Investors in the current market express a strong desire to establish direct contact with issuers prior to investing in municipal transactions. Investors find great value in the ability to ask questions and interact directly with municipal officials and finance team members. In order to facilitate investor dialog, PNCCM would recommend the Tollway, along with its Financial Advisor, consider engaging targeted investors through the scheduling of one-on-one investor conference calls. We believe reaching out to investors directly and establishing open lines of communication early in the marketing process could encourage existing and potential new investors to participate in the Tollway's upcoming transactions.

PNCCM has tremendous experience facilitating one-on-one investor dialog with issuers ahead of high profile transactions. Please refer to Tab 6a for a case study for the City of Chicago's $526.3 million second lien water revenue transaction in which PNCCM facilitated 14 one-on-one investor calls with separate institutional accounts, seven of which ultimately participated in the transaction with orders totaling $497.5 million.

Do not conduct in-person investor roadshows. PNCCM does not feel that an investor roadshow would provide significant value to the Tollway and as such, we do not recommend conducting one. Investors are already very familiar with the credit as the Tollway has been in the market frequently over the past several years and the online investor presentation coupled with one-on-one calls will be sufficient in keeping investors informed as well as providing them with the opportunity to ask questions.

Manage uncertainty regarding tax reform and impact on municipals. There is current uncertainty amongst municipal market participants regarding the details of President Trump's stated priorities for his near-term agenda and the resulting impact on the municipal market. Based on the current rhetoric, it appears that tax reform will be a top priority but the magnitude of these reforms is unknown at this time. We believe substantial changes to the corporate, individual, and alternative minimum tax rates have the potential to materially impact the municipal market. Significantly decreased corporate tax rates, for example, could cause corporations to demand higher spreads in order to participate in municipal bond issues as municipals will be less advantageous compared to other asset classes if the tax rate is materially lowered. Unfortunately, given the current lack of clarity regarding future tax reforms, there is little that issuers, like the Tollway, can do at this time to prepare for the potential impacts of tax reform legislation. However, PNCCM, as senior manager, will continue to provide the Tollway, and its' Financial Advisor with the most up-to-date market intelligence and investor feedback possible and offer recommendations on how to best structure, market, and execute the proposed refunding and new money transactions in the current market environment.

Be mindful and strategic with regard to timing

- *Release sales material early in the pre-marketing process.* PNCCM would recommend that the Tollway release the Preliminary Official Statement ("POS") as well as the investor presentation (in conjunction with the POS) at least one to two weeks ahead of pricing in order to give investors sufficient time to conduct their individual credit analysis and obtain the internal approvals necessary. Following the formal release of the POS, PNCCM bankers will prepare a detailed internal salient-points memo outlining the specifics of the Tollway's transaction and circulate it to the PNCCM sales force to be used in their ongoing discussions with accounts. If selected as senior manager, PNCCM's investment banking team would also conduct an internal sales force educational session for the Tollway's credit. The timing of these materials is even more important during periods of elevated supply similar to what the market saw in the fourth quarter of 2016. The earlier the Tollway and its finance team can deliver these marketing materials to the street, the better.
- *Be flexible on timing and prepared to come to market when favorable conditions exist*. Given the current market volatility, rising interest rates, and future interest rate uncertainty, it would benefit the Tollway to be prepared to come to market as soon as possible in order to take advantage of strong market conditions when they exist. The ratings on the bonds will be valid for at least two months which is also helpful in accommodating some flexibility. Optimal timing will vary based on primary market supply (nationally and in Illinois), investor appetite/demand (as measured by municipal bond fund cash

flows), Federal Reserve commentary and actions, MMD to U.S. Treasury ratios, and political and economic events including President Trump's tax reform policies and other agenda items. Of additional relevance, PNCCM recommends that the Tollway be wary of pricing in the March to April time frame due to the tax season and expected high primary market supply.

- *The timing of closing.* Transactions can close up to 35 to 40 days after pricing with no forward delivery premium.

Mitigate any potential Illinois penalty. Illinois issuers, such as the Tollway, continue to face an "Illinois penalty" from investors when coming to market. The State of Illinois' fiscal challenges have been exacerbated given the continued budget impasse, multiple ratings downgrades, and significant unfunded pension liabilities. These headline events have caused numerous investors to shy away from Illinois credits in general or demand higher yields when purchasing Illinois paper. To quantify the approximate "Illinois penalty" to which the Tollway is subject, PNCCM examined secondary market trading data and primary market pricing spreads of the Tollway compared to similarly rated peer credits. Our analysis indicates that while the Tollway only paid a small pricing penalty of less than 5bps in the Series 2016B transaction, secondary market trades have exhibited a significantly wider pricing penalty since September 2016 (as compared to earlier in 2016) as shown in the graphs in Appendix C. This indicates that the "Illinois penalty" paid by the Tollway will vary and may be minimal or non-existent in some market environments, however, the pricing penalty is likely to be more pronounce in more difficult or volatile markets. PNCCM, as senior manager, would use its recent senior managed experience marketing Chicago Public Schools and City of Chicago issues to help the Tollway market its bonds to investors in a way that emphasizes the strength of the Tollway's credit in hopes of mitigating this Illinois pricing penalty. Overall, it will be important to emphasize the Tollway's strengths - including the Tollway's large size and essential nature, stable demand and demand inelasticity, continued strong financial metrics, and experienced and proven management team – to demonstrate the Tollway's stability and separation from the State's troubles.

Assess value of retail priority. Given the sustained period of low interest rates and numerous credit-related headlines, participation from true retail investors in the municipal market has been limited. However, interest remains strong among trust departments, registered investment advisors, and bond funds that buy on behalf of individual retail accounts (i.e. retail proxies). While, the Tollway has not specified retail priority or provided a formal definition of retail in its prior transactions, should the Tollway wish to monetize this source of retail demand, depending on market conditions at the time of pricing, PNCCM would recommend considering offering a number of retail oriented coupons during the traditional order period in order to create competition amongst investors with the goal of achieving the lowest possible cost of borrowing for the Tollway. We do not see an economic benefit in the current market to holding a separate retail order period; however, if a shift occurs in the market, particularly towards a higher rate environment in which the participation of individuals grows dramatically, then a separate retail order period or retail priority for select maturities during the institutional order period could be considered in order to engage these investors. Overall, PNCCM does not believe a retail order period or priority for retail orders would provide any meaningful value to the Tollway and we note that proxy retail will participate in the deal regardless under the group net priority policy.

Demonstrate a willingness to commit capital. PNCCM prides itself on achieving competitive pricing for its clients through a willingness to underwrite bonds to support our issuer clients' transactions. PNCCM has a very strong balance sheet which is available to public finance. Our goal in every financing is to place bonds with going away orders; however, if volatile market conditions diminish the level of investor demand, PNCCM is committed to deploying capital to support our clients' transactions.

In order to successfully market the Tollway's bonds to the broadest investor base possible, PNCCM recommends utilizing a variety of marketing techniques, as described above, to maximize investor participation and minimize borrowing costs.

PNCCM Bond Distribution Capabilities

Summary of Distribution Credentials. PNCCM's strong pricing and bond distribution capabilities ultimately stem from the Firm's goal to provide clients with superior financing outcomes. Unlike many other major firms that engage in proprietary trading and substantial standalone secondary market profit-driven trading, virtually all of the Firm's sales and trading resources are dedicated to the execution and support of new issue underwritings for municipal issuers. PNCCM's municipal specialists are supported by a securities distribution network that covers institutional accounts, high net worth investors, and individual retail customers. Furthermore, PNCCM's underwriting activity across a geographically diverse footprint generates broad market intelligence and results in "on market" pricing for clients. Overall, PNCCM's underwriting and distribution credentials include:

- ✓ Market knowledge from having served as a senior manager on negotiated issues for high profile issuers, including the City of Chicago, Chicago Public Schools, the State of Wisconsin, the State of Ohio and the Pennsylvania Turnpike Commission
- ✓ Experienced traders, underwriters, and sales personnel dedicated to sales and trading of tax-exempt and taxable municipals
- ✓ A broad distribution network with regional and geographic diversification
- ✓ Active coverage of all the Tier I and Tier II large and medium-sized municipal buyers
- ✓ Strong relationships with Tier III and Tier IV investors such as local bank trust departments and investment advisors
- ✓ PNCCM's Municipal Analytics Group which aggregates and analyzes market data to facilitate successful bond pricing
- ✓ Municipal strategy and commentary provided to investors and issuers by PNCCM's Municipal Strategist, Tom Kozlik
- ✓ PNCCM's $5 billion remarketing portfolio of variable rate securities, ranked 6th nationally by the number of issues
- ✓ Active participation in the secondary municipal market which enhances the liquidity and trading of clients' securities
- ✓ Institutional financial strength and a sizable underwriting capacity of $5.47 billion

A Broad Distribution Network with Regional and Geographic Diversification. PNCCM has assembled an experienced sales force consisting of 27 professionals that provide coverage of various investors that purchase different types of municipal debt. In addition to coverage of large bond funds, insurance companies, and corporations, the network also focuses on smaller institutional buyers such as bank trust departments, registered investment advisors, and municipalities in order to provide broad and diverse distribution. PNCCM's institutional sales force actively covers 600 accounts and the following types of investors: money market funds; corporations and municipalities; bond funds (national & state specific); bank trust departments; registered investment advisors; casualty insurance companies; life Insurance companies; and arbitrage / hedge funds. A chart of PNCCM's public finance and institutional sales and trading groups are comprised of 37 underwriting, sales and trading professionals, including 10 municipal underwriting / trading staff and 27 institutional sales professionals is shown in Tab 4(a).

PNCCM's strong sales capabilities are driven by active coverage of all the Tier I and Tier II large and medium-sized municipal buyers (bond funds, insurance companies, and corporations) and, more uniquely, the strong relationships with Tier III and Tier IV investors such as local bank trust departments and registered investment advisors.

PNCCM Advantage: Unique Distribution Channels. In addition to covering the Tier I and Tier II accounts, PNCCM's philosophy of actively covering the Tier III and IV investors is unique in comparison to other underwriters. Through PNCCM's generalist sales team and Financial Institutions Group ("FIG"), the focus on middle-market and smaller investors differentiates PNCCM from many larger underwriters. By expanding the potential investor base and creating demand from a diverse set of investors during a bond sale, PNCCM can often deliver a favorable financing outcome.

Retail Distribution Capabilities. PNCCM works with its affiliate, PNC Investments LLC ("PNCI"), to market and distribute bonds through the PNCI retail network, which consists of over 600 registered retail representatives nationwide in over 2,600 branches. Through PNCI, PNCCM offers retail distribution capabilities throughout the Company's 19 state retail footprint and the District of Columbia. Specifically, in Illinois, 200 PNCI representatives cover over 14,546 retail accounts. PNC's Illinois footprint consists of over 3,300 employees, 187 branches and offices, and 586 ATMs.

- *Local Distribution.* PNCI will work with retail clients located in Illinois, and specifically local residents, to notify them of the Tollway's bond offerings. Through this targeted approach, PNCI will cover the entire PNC footprint of interested local and Illinois investors so they have the opportunity to purchase bonds in the Tollway's transactions. Furthermore, as lead manager, PNCCM will work with all retail customers, whether or not they maintain an account with PNCI.

Marketing and Distribution Case Studies. Below we provide two recent and relevant case studies which demonstrate PNCCM's strong marketing and distribution capabilities including the ability to broaden an issuer's investor base, mitigate any potential Illinois penalty, time the market to take advantage of optimal conditions, and achieve aggressive pricing results.

CITY OF CHICAGO

$367,925,000 Second Lien Water Revenue Bonds, Project Series 2014

Ratings	A3 / AA- / AA / AA	Tax Status	Tax-Exempt	Call Provision	10 year par call
Security	Second lien on the Net Revenues of the City's water fund				
Structure	Serial Bonds: November 1, 2015 – 2034; Term Bonds: November 1, 2039 & 2044				
Purposes	Financed capital improvements and upgrades to the City's water system				
Pricing Date	9/10/2014	Closing Date	9/17/2014	All-in TIC	4.20%

Following our appointment, PNCCM created and coordinated a comprehensive plan of finance that included multiple investor outreach and rating agency education efforts. Given the outlier rating by Moody's, PNCCM suggested the City consider soliciting a rating from Kroll Bond Rating Agency ("Kroll"). PNCCM believed that a double-A rating from Kroll would affirm the strength of the City's water credit, as demonstrated by the ratings from S&P and Fitch, and potentially minimize the impact of the Moody's single-A rating. PNCCM believed Kroll's extensive research would provide the market with detailed analysis and a fresh perspective on the credit. PNCCM and the City were pleased with the result as Kroll published a very thorough credit report on the City's Second Lien Water Revenue Bonds and assigned a double-A stable rating to the new issue.

PNCCM worked diligently with the City and its financial advisor to explain the credit fundamentals of the water system, flow of funds, and legal protections. Leading up to the transaction, the City undertook numerous investor outreach efforts. On August 8, 2014, the City held its annual investor conference which was extremely well attended. The Mayor, CFO, and members of the City's finance and water management teams were present to discuss the City's various credits and answer questions from investors. The Commissioner of the City's Department of Water Management, presented a comprehensive overview of the water system's improving credit metrics and the need for significant capital improvements to the investment professionals in attendance. PNCCM also assisted with the investor presentation that the City recorded and posted to ImageMaster along with the Preliminary Official Statement. The presentation was then disseminated to over 300 institutional and retail accounts throughout the distribution networks of PNCCM and the syndicate members. In addition, PNCCM also coordinated one-on-one investor calls so the City could speak directly with investors who had additional questions regarding the credit and structure.

On the morning of pricing, U.S. Treasury rates were slightly higher from news that Russia was going to remove military forces from Ukraine. This was expected to take some of the flight-to-quality bid out of the market and potentially lead to AAA MMD cuts later in the day. Despite this news, PNCCM proposed a marketable pre-pricing scale. Once in the market, the transaction saw strong demand from a variety of accounts across the curve representing approximately $4.4 billion in total orders. PNCCM built an order book during the formal pricing period that consisted of 130 institutional accounts, including $740 million in orders from 18 new institutional investors to the City's water credit. In addition, PNCCM purchased the $4.02 million 2015 maturity through a competitive sealed bid process. The transaction resulted in total oversubscription of approximately 11x, with oversubscription in certain maturities ranging from 1x to 24x. Given this level of investor interest, PNCCM was able to lower spreads by 5 bps to 17 bps across the curve from the pre-pricing levels. With the cuts in AAA MMD on the day of pricing, the City's deal priced at +84 bps to AAA MMD in 30 years, compared to +105 bps in the original pre-marketing wire.

The City was pleased with the final pricing levels which were driven by the breadth of investor participation on the transaction. PNCCM generated approximately 92% of the total orders and introduced 18 new investors to the City's water credit.

CANAVERAL PORT AUTHORITY						
$64,595,000 Port Improvement Revenue Bonds, Series 2016 C&D						
PORT CANAVERAL	Ratings	A2 / A	Tax Status	AMT/Taxable	Call Provision	10 year par call
	Security	Gross Revenues from the operation of the Authority's Marine Facilities (cruise business comprises 80% of revenue)				
	Structure	Series 2016C: Serial Bonds 2017-2026, 2032-2034; Term Bonds 2041, 2046; Series 2016D: Term Bonds 2036, 2046				
	Purposes	Financed capital projects, partially restructured the Series 2006A Bonds, and repaid a PNC line of credit				
	Pricing Date	11/1/2016	Closing Date	11/15/2016	All-in TIC	4.36%

PNCCM served as the senior manager on the Port's largest ever bond financing and its return to the capital markets. The Port is the second largest cruise port in the world. PNCCM's recommendation to price before the presidential election, despite the temporary closure of the Port's facilities due to Hurricane Matthew, significantly reduced the cost of financing. PNC Bank has provided $103 million in credit to the Port since 2010, including a forward refunding direct placement and a $50 million subordinated line of credit. The credit commitments have saved the Port millions of dollars and enabled financing flexibility.

In November 2014, PNC worked with the Port and its MA to develop a hybrid financing structure for its capital needs. PNC was the only bank at the time willing to provide the Port with a subordinated line of credit, which preserved senior lien coverage and avoided the 9.2% assumed rate for senior lien variable rate debt. PNCCM helped the Port access the capital markets through a 30-year bond issue, which leveraged untapped revenue capacity past 20 years. PNCCM recommended the Port update its indenture and introduce a prospective ABT in order to account for revenue growth and maximize flexibility for future financings. As the senior manager, the PNCCM team helped the Port affirm its ratings by demonstrating minimum debt service coverage of 2x. The team also helped secure a bond insurance commitment and analyzed a 10 year par call for the taxable series.

Despite heavy supply and a new credit, PNCCM built an order book of $90 million from 18 investors. Additionally, to support the pricing, PNCCM underwrote approximately $8 million in par. The Series 2006A limited restructuring generated near-term cash flow savings of $7.2 million and overall NPV savings of 4.4% of refunded par. The comprehensive plan of finance, executed over a two year period, highlights PNC's ability to deliver a full platform of financial services in a coordinated manner.

CREDIT RATING STRATEGY. The Tollway's credit rating strategy is closely interconnected with the marketing plan as the credit ratings will impact the investor universe and investor demand for the Tollway's bonds as well as the appropriate pricing levels. For example, a rating downgrade could negatively impact investor demand from insurance companies. Additionally, similar messages which highlight the Tollway's strengths will be presented to both rating agencies and investors in order to demonstrate the ongoing strength of the credit and offset any potential concerns. Overall, it will be important for the Tollway to continue to pursue a comprehensive rating agency strategy with the goal of maximizing the Tollway's credit ratings and thereby achieving the lowest possible borrowing cost.

In May 2016, in conjunction with the Series 2016B transaction, Moody's, S&P, and Fitch each affirmed their ratings of Aa3, AA-, and AA- , respectively, as well as stable outlooks. These are very strong ratings and demonstrate the rating agencies' acknowledgment of the Tollway's credit strength – the Tollway remains one of the top-rated toll road credits in the country. Given these strong ratings, the Tollway's significant new money borrowing plans, and the fact that S&P and Fitch have both indicated that they are unlikely to upgrade their ratings in the near-term, the goal of the rating agency strategy should be to maintain the strong Aa3/AA-/AA- ratings. With this goal in mind, PNCCM would work collaboratively with the Tollway and its financial advisors to help execute the rating agency strategy and achieve the rating goals of the Tollway. Below, we identify the Tollway's current ratings as well as our assessment of the credit strengths that should be highlighted to the rating agencies to mitigate any of their potential concerns.

Recent Ratings

- Moody's, S&P, and Fitch each affirmed their ratings of Aa3 (stable), AA- (stable), and AA- (stable), respectively, in May 2016

Rating Agency Concerns

- **Significant borrowing plans, associated construction and execution risk, and impact on financial metrics including liquidity and debt service coverage**
- Aggressive traffic forecast
- Service area economic recovery pace is relatively slower
- Expected increase in commercial traffic revenue concentration
- Exposure to variable rate debt and derivatives (~20%)
- State pension funding exposure which is continually increasing

Credit Strengths and Mitigants

- Large tollway system which provides essential transportation network in the Chicago area – ensures stable demand
- Improving service area economic conditions and diverse user base (mainly composed of commuter traffic) promote steady traffic growth
- Demonstrated inelasticity of demand despite increases in toll rates indicates likelihood of continued revenue stability
- Strong projected debt service coverage despite large borrowing plans
- Strong management team with a history of successfully executing large capital plans will help to ensure that projects are delivered on time and at or under budget
    - Management team also successfully implements toll increases, enforces strong toll collection system, and prudently manages debt
- Strong liquidity position of over 1,000 days cash on hand mitigates exposure to variable rate debt and swaps
- Planned issuance of fixed rate bonds for the capital program will reduce variable rate exposure over time
- Capacity added by capital program will help to promote traffic growth
- The Tollway's autonomy in setting and collecting tolls helps to maintain stable revenues

We believe that the strengths highlighted above will be sufficient to offset any potential rating agency concerns and help maintain the Tollway's current ratings.

Tab 7 – Financials: *The Offeror shall provide the last three (3) most recent Year End Financial Statements.*

The pages following provide PNCCM's last three most recent Year End Financial Statements.

PNC Capital Markets LLC
Index
December 31, 2015

pwc

Report of Independent Registered Public Accounting Firm

To the Board of Managers of
PNC Capital Markets LLC:

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of PNC Capital Markets LLC (the "Company") at December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. The statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on the statement of financial condition based on our audit. We conducted our audit of this statement in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, and evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

[redacted]

February 26, 2016

PricewaterhouseCoopers LLP, 600 Grant Street, Pittsburgh, PA 15219
T: (412) 355 6000, F: (412) 355 8089, www.pwc.com/us

PNC Capital Markets LLC
Statement of Financial Condition
December 31, 2015

(in thousands)		
Assets		
Cash and cash equivalents	$	123,820
Cash and securities segregated under Federal and other regulations		8,126
Receivables from brokers, dealers and others		247,261
Receivables from customers		2,679
Other receivables (net of reserves of $21)		5,136
Securities owned - at fair value ($506 million pledged)		
Agency residential and commercial mortgage backed		510,478
State and municipal		142,871
Corporate debt		17,842
U.S. government and government agencies (see Note 7 for segregated securities)		21,849
Securities purchased under agreement to resell		103,917
Deferred tax asset		8,199
Other assets		14,705
Total assets	$	1,206,883
Liabilities and Member's Equity		
Liabilities		
Repurchase agreements	$	489,700
Securities sold not yet purchased - at fair value		
U.S. government		128,046
Other debt securities		5,445
Deferred revenue		10,533
Payable to brokers, dealers and others		3,478
Accrued salaries and benefits		51,536
Accrued tax liability		285
Payable to customers		33,946
Other liabilities		10,610
Total liabilities		733,579
Member's equity		473,304
Total liabilities and member's equity	$	1,206,883

The accompanying notes are an integral part of this financial statement

1. Organization

PNC Capital Markets, LLC ("PNCCM" or the "Company") is a wholly owned subsidiary of PNC Holding LLC (the "Parent"), which is a wholly owned subsidiary of The PNC Financial Services Group, Inc. ("PNC"). PNCCM is registered as a securities broker and dealer pursuant to the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority.

The Company underwrites, deals and trades in corporate debt and state and municipal obligations. The Company also trades in U.S. government and agency securities, mortgage-backed securities, asset-backed securities, commercial paper, and money market instruments. In addition, the Company acts as an agent for affiliates of PNC and others in certain securities transactions and provides corporate finance services, including arranging loan syndications for PNC customers.

2. Significant Accounting Policies

Basis of Financial Statement Presentation
The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

We prepared these financial statements using estimates and assumptions that affect the amounts reported. Our most significant estimates pertain to our fair value measurements, reserve on receivables, and litigation reserves. Actual results may differ from the estimates and the differences may be material to the financial statements.

The Company evaluated the materiality of identified errors in the financial statements using both an income statement and a balance sheet approach. We also consider the impact of subsequent events.

Cash and Cash Equivalents
Cash and cash equivalents, includes cash held at PNC Bank, N.A., an affiliate and wholly owned subsidiary of PNC. Cash and cash equivalents also include money market funds held at an affiliate, which are highly liquid investments that are readily convertible to cash and typically have a dollar-weighted average maturity of 60 days or less.

Cash and securities segregated under Federal and other regulations
Cash and securities segregated under Federal and other regulations represent cash and securities held in Special Reserve Accounts for the Exclusive Benefit of Customers. These cannot be used in the ordinary operations of the business. This line item also includes segregated cash margin collateral held at PNC Bank, N.A.

Reserve on Receivables
The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Company's estimate is based on historical collection experience and a review of the current status of the receivables.

Securities Transactions
Securities transactions are recorded on a trade date basis. Securities are considered trading assets and are marked to fair value.

In the normal course of business, the Company purchases securities under agreements to resell on terms which permit it to repledge or resell the securities to others. At December 31, 2015 the Company had obtained securities under resale agreements with a fair value of approximately $103.5 million, substantially all of which have been either pledged or otherwise transferred to others in connection with the Company's financing activities or to satisfy its commitments under short sales.

In the normal course of business, securities owned by the Company may be pledged to others to collateralize the Company's financing activities.

Securities Valuation
U.S. government and agency, state and municipal, corporate debt, futures contracts, financial derivatives and securities sold, not yet purchased are stated at fair value. Sales of securities not yet purchased represent obligations of the Company to deliver specified securities at a predetermined date and price. The Company is obligated to acquire the specified securities at prevailing market prices in the future to satisfy such obligations.

Many of the Company's assets and liabilities are financial in nature and, therefore, the Company tends to be sensitive to interest rate and other market movements. Disruptions in the liquidity or changes in other factors affecting the financial markets could materially impact our performance and the valuation of certain assets and liabilities.

Resale and Repurchase Agreements
Securities purchased under agreements to resell and securities sold under agreements to repurchase are collateralized by U.S. government and agency obligations and corporate bonds and are carried at amounts at which they will be subsequently resold or repurchased. Interest is accrued on resale and repurchase contract amounts.

It is the policy of the Company to take possession of securities purchased under agreements to resell. We monitor the market value of securities to be repurchased and resold and additional collateral may be obtained where considered appropriate to protect against credit exposure. The counterparty on all resale agreements at December 31, 2015, was PNC Bank, N.A.

Depreciation and Amortization
Premises and equipment are depreciated over their estimated useful lives using the straight-line method, based on the following schedule:

Asset	**Estimated Useful Lives (in years)**
Furniture and equipment	7
Personal computers	5
Computer software	5
Internally developed software	1-5

Leasehold improvements are amortized over the shorter of the term of the lease or estimated useful lives using the straight-line method.

Income Taxes

The Company uses the asset and liability method to account for deferred income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of specific assets and liabilities and are measured using the current enacted tax rates.

The Company is included in the consolidated federal income tax return filed by PNC. The Company's federal income tax expense is computed as if the Company files a separate tax return. The Company is a participant in a master tax sharing policy with PNC. Under this policy, PNC subsidiaries with taxable income record taxes based on the relationship of the Company's federal tax liability computed on a separate company basis, to the federal tax liability of the consolidated group. Subsidiaries with a tax loss receive an allocated benefit from the consolidated group based upon the reduction in taxes otherwise payable by the group.

PNC assumes all state income tax liabilities on behalf of the Company; therefore, any state income tax expense/benefit is settled as a capital adjustment.

Deferred Revenue

Deferred revenue represents funds received for transactions entered into which have not closed or funds received in advance for services performed on an annual basis. Revenue on these items is recognized as the transactions close or pro rata as the services are performed.

Fair Value

The fair value of financial instruments and the methods and assumptions used in estimating fair value amounts are detailed in Note 12, Fair Value of Financial Instruments.

Recently Adopted Accounting Standards

In June 2014, the FASB issued ASU 2014-11, Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures. This ASU impacts the accounting for repurchase-to-maturity transactions and transfers executed contemporaneously with a repurchase agreement with the same counterparty (i.e., a repurchase financing) by requiring secured borrowing accounting. We adopted this accounting as of January 1, 2015. The disclosure requirements were adopted in the current reporting period. Adoption of this ASU did not have a material effect on our results of operations or financial position.

Recently Issued Accounting Standards

In January 2016, the FASB issued ASU 2016-01, Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. This ASU changes the accounting for certain equity investments, financial liabilities under the fair value option and presentation and disclosure requirements for financial instruments. Equity investments not accounted for under the equity method of accounting will be measured at fair value with any changes in fair value recognized in net income. Equity investments without readily determinable fair values may be measured at cost adjusted for impairment and other changes resulting from observable price changes in orderly transactions for a similar investment of the same issuer. A qualitative assessment may be utilized to evaluate equity investments without readily determinable fair values for impairment. If impairment exists, the investment is required to be measured at fair value. In addition to the changes for certain equity investments, the ASU also 1) requires that instrument-specific credit risk change in the fair value of a financial liability accounted for under the fair value option be presented in other comprehensive income, 2) clarifies that an entity should consider deferred tax assets related to available-for-sale securities when evaluating the need for a valuation allowance on deferred tax assets, 3) eliminates the requirement for entities to disclose the methods and significant assumptions used to estimate disclosed fair values for financial instruments measured at amortized cost, 4) requires that the disclosed fair values represent an exit price, and 5) requires that financial assets and liabilities be presented by measurement category and form of instrument on the balance sheet or within the accompanying notes to the financial statements. The ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017 and should be applied through a cumulative-effect adjustment to the balance sheet, except for the amendment related to equity securities without readily determinable fair values, which should be applied prospectively. We plan to adopt all provisions consistent with the effective date and are currently evaluating the impact of this ASU on our results of operations and financial position.

3. Futures Contracts

Futures contracts represent commitments to purchase or sell securities at a specified date and price. These transactions are utilized by the Company to economically hedge against risk positions associated with customer related trading activities. These transactions are subject to market risk, which arises from the inherent fluctuations in the market value of the underlying security to be delivered, and to credit risk, which results from the possibility that a counterparty may be unable to meet the terms of a contract in which the Company has a gain position. The Company's exposure to credit risk is limited as these transactions are executed on organized exchanges. Organized exchanges approve counterparties and require security deposits which reduce credit risk. At December 31, 2015, the Company had gross notional futures contract commitments to sell U.S. government obligations and Eurodollar obligations of $52.5 million and $10 million, respectively. The unrealized loss on these instruments at December 31, 2015 was approximately $135,000 and is reflected net of cash paid as a component of other assets.

4. Financial Derivatives

The Company enters into interest rate swap agreements with PNC Bank, N.A. to manage interest rate risk. The total gross notional amount on the interest rate swap agreements outstanding at December 31, 2015 was approximately $63.6 million. The unrealized gain and unrealized loss on these instruments at December 31, 2015, was approximately $27 thousand and $2.7 million, respectively, which is included in other assets and other liabilities, respectively, on the Statement of Financial Condition. The Company has pledged $2.4 million in cash collateral held by PNC Bank, N.A. related to these instruments at December 31, 2015.

The Company also utilizes forward contracts with third parties and with PNC Bank, N.A. in the form of TBA ("To Be Announced") securities to invest in and hedge mortgage-backed instruments. The total gross notional amount on the forward contracts at December 31, 2015 was approximately $2.1 billion. The unrealized gain and loss on these instruments at December 31, 2015 was approximately $8.1 million and $4.5 million, respectively. The unrealized gains and losses are included in other assets and other liabilities, respectively, on the Statement of Financial Condition.

We do not utilize a net presentation on the Statement of Financial Condition for those derivative financial instruments entered into with counterparties under legally enforceable master netting agreements. The master netting agreements reduce credit risk by permitting the closeout netting of various types of derivative instruments with the same counterparty upon the occurrence of an event of default. The master netting agreement also may require the exchange of cash or marketable securities to collateralize either party's net position. In certain cases, minimum thresholds must be exceeded before any collateral is exchanged. Collateral is typically exchanged daily based on the net fair value of the positions with the counterparty as of the preceding day.

The fair value of any securities held or pledged is not included in the net presentation on the Statement of Financial Condition. The following table shows the impact of legally enforceable master netting agreements on our derivative assets and derivative liabilities positions as of December 31, 2015. The table also includes the fair value of any securities collateral held or pledged under these agreements. Cash and securities collateral amounts are included in the table only to the extent of the related net derivative fair values.

Refer to Note 5 Repurchase and Resale Agreements for additional information related to resale and repurchase agreements offsetting.

Derivative Assets and Liabilities Offsetting

December 31, 2015 *in thousands*	Gross Fair Value Derivative Assets	Amounts Offset Under Master Netting Agreements: Fair Value Offset Amount	Amounts Offset Under Master Netting Agreements: Cash Collateral	Net Fair Value Derivative Assets	Securities Collateral Held Under Master Netting Agreements	Net Amounts
Derivative assets						
Interest rate contracts (d)	$ 27	$ -	$ -	$ 27	$ -	$ 27
TBA contracts (e)	8,118	-	-	8,118	-	8,118
Total derivative assets	$ 8,145	$ -	$ -	$ 8,145 (b)	$ -	$ 8,145

December 31, 2015 *in thousands*	Gross Fair Value Derivative Liabilities	Amounts Offset Under Master Netting Agreements: Fair Value Offset Amount	Amounts Offset Under Master Netting Agreements: Cash Collateral	Net Fair Value Derivative Liabilities	Securities Collateral Pledged Under Master Netting Agreements	Net Amounts
Derivative liabilities						
Interest rate contracts (d)	$ 2,742	$ -	$ -	$ 2,742	$ 2,400	$ 342
TBA contracts (a) (e)	4,523	-	-	4,523	-	4,523
Total derivative liabilities	$ 7,265	$ -	$ -	$ 7,265 (c)	$ 2,400	$ 4,865

(a) We have pledged cash totaling $2.3 million under these agreements to collateralize net derivative liabilities owed to counterparties.

(b) Represents the derivative asset value included in other assets on the Statement of Financial Condition.

(c) Represents the derivative liability value included in other liabilities on the Statement of Financial Condition.

(d) If we had applied netting by our counterparties, our net liability would have been $315 thousand.

(e) If we had applied netting by our counterparties, our net asset and net liability would have been $6.8 million and $3.2 million, respectively.

In addition to using master netting arrangements and related collateral agreements to reduce credit risk associated with derivative instruments, we also seek to minimize credit risk by entering into transactions with counterparties with high credit ratings and by using internal credit approvals, limits, and monitoring procedures. Collateral may also be exchanged under certain derivative agreements that are not considered master netting agreements.

Any nonperformance risk, including credit risk, is included in the determination of the estimated net fair value of the derivatives.

5. Repurchase and Resale Agreements

As discussed in Note 2 the Company enters into repurchase and resale agreements where we transfer securities to/from PNC Bank, N.A., a related party, with the agreement to repurchase/resell those securities at a future date for a specified price. Repurchase and resale agreements are treated as collateralized financing transactions for accounting purposes and are generally carried at the amounts at which the securities will be subsequently reacquired or resold, including accrued interest. Repurchase and resale agreements are typically entered into with counterparties under master netting agreements which provide for the right to set off amounts owed one another and liquidate the purchased or borrowed securities in the event of counterparty default. Our policy is to take possession of securities purchased under agreements to resell. We monitor the market value of securities to be repurchased and resold and additional collateral may be obtained where considered appropriate to protect against credit exposure.

The table below shows the amounts owed under resale and repurchase agreements. Refer to Note 12 Fair Value of Financial Instruments for additional information regarding the resale and repurchase agreements. We do not present any repurchase and resale agreements entered into with the same counterparty under a master netting agreement on a net basis on our Statement of Financial Condition.

Refer to Note 4 Financial Derivatives for additional information related to offsetting of financial derivatives.

Resale and Repurchase Agreements Offsetting

In thousands	Gross Resale and Repurchase Agreements	Amounts Offset Under Master Netting Agreements	Net Resale and Repurchase Agreements		Securities Collateral Held Under Master Netting Agreements(a)	Net Amounts
December 31, 2015						
Resale Agreements	$ 103,917	$ -	$ 103,917	(b)	$ 103,531	$ 386
Repurchase Agreements	$ 489,732	$ -	$ 489,732	(c)	$ 489,732	$ -

(a) Represents the fair value of securities collateral purchased or sold, up to the amount owed under the agreement, for agreements supported by a legally enforceable master netting agreement.

(b) Represents the resale agreement amount included in securities purchased under agreement to resell on the Statement of Financial Condition.

(c) Represents the repurchase agreement amount included in repurchase agreements on the Statement of Financial Condition and the related accrued interest expense in the amount of $32 thousand at December 31, 2015, which is included in Other Liabilities on the Statement of Financial Condition.

The following table summarizes our gross repurchase agreements as of December 31, 2015 by type of collateral pledged. All repurchase agreements have remaining contractual maturities that are classified as overnight or continuous as of December 31, 2015. Overnight repurchase agreements have a one-day maturity while continuous repurchase agreements have no fixed maturity date and are cancellable by either party at any time.

Repurchase Agreements By Type of Collateral Pledged

in thousands	Overnight or Continuous(a)
December 31, 2015	
Gross Repurchase Agreements	
U.S. Treasury and government agency securities	$ 87,518
Residential mortgage-backed agency securities	180,285
Commercial mortgage-backed agency securities	221,929
Total	$ 489,732

(a) Represents the repurchase agreement amount included in repurchase agreements on the Statement of Financial Condition and the related accrued interest expense at December 31, 2015, which is Included in Other Liabilities on the Statement of Financial Condition.

6. Receivables From and Payables to Brokers, Dealers, and Others

Receivables from and payables to brokers, dealers, and others recorded at cost arise from the settlement of securities transactions and consist of the following at December 31, 2015:

(in thousands)	Receivables	Payables
Net trade date receivable	$ 197,467	$ -
Fails to deliver/receive	31,330	2,799
Other amounts due from/to brokers and dealers	18,464	679
	$ 247,261	$ 3,478

7. Regulatory Requirements

The Company, as a registered broker/dealer, is subject to the Securities and Exchange Commission Uniform Net Capital Rule ("SEC Rule 15c3-1"), which requires the maintenance of minimum net capital. The Company computes net capital under the alternative method. Under this method, required capital is the greater of $250,000 or 2 percent of aggregate debit items computed in accordance with the Formula for Determination of Reserve Requirements for Brokers and Dealers. At December 31, 2015, the Company had net capital of approximately $381.9 million, which was approximately $381.2 million in excess of its required net capital of $654,000.

Additionally, the Company maintains cash and qualified securities owned for the exclusive benefit of customers in accordance with SEC Rule 15c3-3. At December 31, 2015, qualified securities designated for the exclusive benefit of customers totaled approximately $6.1 million. In addition, the Company maintained approximately $2.0 million in cash for the exclusive benefit of customers.

These balances are included in cash and securities segregated under Federal and other regulations on the statement of financial condition.

The Company operates in a highly regulated industry. Applicable laws and regulations restrict permissible activities and investments and require compliance with various financial and customer-related protection standards. The consequences of noncompliance can include substantial monetary and nonmonetary sanctions. In addition, the Company is subject to comprehensive examination and supervision by various governmental and self-regulatory agencies. These regulatory agencies generally have broad discretion to impose restrictions and limitations on the operations of a regulated entity where the agencies determine, among other things, that such operations are unsafe or unsound, fail to comply with applicable law or are otherwise inconsistent with the laws and regulations or with the supervisory policies of these agencies.

8. Income Taxes

Significant components of the Company's net deferred tax asset as of December 31, 2015, are as follows:

(in thousands)

	Federal
Employee benefits	$ 5,459
Deferred compensation	6,022
Deferred revenue	(3,102)
Other tax liabilities	(180)
Net deferred tax asset	$ 8,199

At December 31, 2015, the Company did not have any amounts relating to uncertain tax benefits.

Examinations were completed for PNC's consolidated federal income tax returns for 2007 through 2010 and were settled with the Internal Revenue Service (IRS). The IRS is currently examining PNC's consolidated federal income tax returns for 2011 through 2013.

9. Related-party Transactions

Cash and cash equivalents and cash and securities segregated under Federal and other regulations include cash on deposit with PNC Bank N.A. of approximately $17.8 million. Cash and cash equivalents also include $106.0 million invested in a money market mutual fund with an affiliate BlackRock. Included in the other assets line item is $2.3 million of segregated cash collateral related to intercompany transactions. The Company also has an asset of $2.4 million with PNC Bank, N.A. related to an intercompany margin requirement.

Short-term funding is provided by an affiliate, PNC Funding Corp. ("PNC Funding"), through a $250 million subordinated line of credit. The line of credit bears interest at the approximate interest rate equal to PNC Funding's fully loaded blended long-term debt rate. At December 31, 2015, the Company had no outstanding balance under the line of credit. Borrowings under the line of credit do not qualify as regulatory net capital.

Overnight funding is provided by PNC Bank, N.A., through a $1.0 billion and a $500 million lines of credit. The lines of credit bear interest at the Effective Federal Funds Rate plus 100 basis points. The lines also bear a 10 basis point charge for unused portions of the lines of credit. At December 31, 2015, the Company had total obligations of $388,000 under the lines of credit for amounts accrued.

The Company performs syndication services for third party clients of PNC Bank, N.A.

The Company pays monthly fees to PNC and PNC Bank, N.A. for occupancy, overhead and administrative services.

The Company also provides Retail Trading Desk services to PNC Investments LLC, an affiliate.

The Company utilizes forward contracts with PNC Bank, N.A. in the form of TBA ("To Be Announced") securities as described in Note 4. The total gross notional amount on the forward contracts at December 31, 2015 was approximately $166.8 million. The unrealized gain and loss on these instruments at December 31, 2015 was approximately $3.0 million and $2.8 million, respectively. The unrealized gains and losses are included in other assets and other liabilities, respectively, on the Statement of Financial Condition.

During the normal course of business, the Company may execute transactions with PNC Bank, N.A. to purchase securities under agreement to resell or sell securities under agreement to repurchase. In addition, the Company may also provide or receive various other advisory, referral, or administrative services to or from PNC affiliated entities. Related-party balances or transactions not discussed elsewhere as of and for the year ended December 31, 2015, are listed in the following table:

(in thousands)

Assets	
Other receivables	391
Liabilities	
Other liabilities	442

The Company participated in the PNC single employer pension plan as described in Note 10. The Company had a payable due to PNC for its required contribution of $14.8 million at December 31, 2015, which is reflected in accrued salaries and benefits on the Statement of Financial Condition. The Company had a payable due to PNC for post retirement benefits of $231,000 which is reflected in accrued salaries and benefits on the Statement of Financial Condition.

10. Employee Benefit Plans

The Company's employees participate, to the extent they meet minimum eligibility requirements, in various benefit plans sponsored by PNC. PNC sponsors a noncontributory, qualified defined benefit pension plan (The PNC Financial Services Group, Inc. Pension Plan, EIN #251435979 (the "PNC defined benefit pension plan")), which covers substantially all of the Company's employees. Benefits are determined using a cash balance formula where earnings credits are a percentage of eligible compensation. Earnings credit percentages for those employees who were plan participants on December 31, 2009 are frozen at the level earned to that point. Earnings credits for all employees who become participants on or after January 1, 2010 are a flat 3% of eligible compensation. All plan participants earn interest on the cash balances based on 30-year Treasury securities rates with those who were participants at December 31, 2009 earning a minimum rate. New participants on or after January 1, 2010 are not subject to the minimum rate. Pension expense is allocated by PNC to the Company based upon an actuarially determined required contribution which includes service and interest costs related to participants of the Company. The Form 5500 for December 31, 2014 has been filed.

PNC also maintains nonqualified supplemental retirement plans for certain employees and provides certain health care and life insurance benefits for qualifying retired employees (the "Postretirement Benefits") through various plans. PNC reserves the right to terminate or make changes to these plans at any time. The nonqualified pension plans are unfunded. In November of 2015, PNC established a voluntary employee beneficiary association (VEBA) to partially fund postretirement medical and life insurance benefit obligations. PNC made a voluntary contribution of $200 million to the VEBA in December of 2015. Postretirement Benefits expense is allocated by PNC to the Company based upon an actuarially determined expense related to participants of the Company. There are no separate plans solely for the employees of the Company.

The PNC defined benefit pension plan and the Postretirement Benefits are accounted for in accordance with the provisions of ASC 715 Compensation – Retirement Benefits. As of December 31, 2015, assets of the PNC qualified defined benefit pension plan were $4.3 billion and the projected benefit obligation was $4.4 billion. The qualified pension plan assets are maintained in a trust, and the qualified pension plan benefit payments are paid from the trust. PNC made a voluntary contribution to the pension plan totaling $200 million during February 2015. Notwithstanding this contribution, PNC's required contribution for 2016 is expected to be zero based on the funding calculations under the Pension Protection Act of 2006.

The Company's employees participate in PNC's Incentive Savings Plan (the "ISP"). Under the ISP, employee contributions of up to 4% of biweekly compensation, as defined in the ISP and subject to the Internal Revenue Code limitations, are matched by the Company.

11. Stock Based Compensation Plans

PNC has long-term incentive award plans (Incentive Plans) that provide for the granting of incentive stock options, nonqualified stock options, stock appreciation rights, incentive shares/performance units, restricted shares, restricted share units, other share-based awards and dollar denominated awards to executives. Certain Incentive Plan awards may be paid in stock, cash or a combination of stock and cash. PNC typically grants a substantial portion of its stock-based compensation awards during the first quarter of the year. As of December 31, 2015 no stock appreciation rights were outstanding.

Shares of PNC common stock available during the next year for the granting of options and other awards under the PNC Incentive Plans were approximately 14 million at December 31, 2015. Total shares of PNC common stock authorized for future issuance under PNC equity compensation plans totaled approximately 15 million shares at December 31, 2015, which includes shares available for issuance under the PNC Incentive Plans and the PNC Employee Stock Purchase Plan (ESPP) as described below.

Certain employees of the Company receive options and/or awards/units under the PNC Incentive Plans. Grants of stock options and restricted stock awards/units were made in the form of a capital contribution by PNC to the Company.

Nonqualified Stock Options
Beginning in 2014, PNC discontinued the use of stock options as a standard element of their long-term equity incentive compensation programs under the Incentive Plans and did not grant any options in 2015. Prior to 2014, options were granted at exercise prices not less than the market value of a share of PNC common stock on the grant date. Generally, options become exercisable in installments after the grant date. No option can be exercised after 10 years from its grant date. Payment of the option exercise price may be in cash or by surrendering shares of PNC common stock at market value on the exercise date. The exercise price may also be paid by using previously owned shares.

The following tables and related information summarize the various stock option and award/unit activity for employees of the Company for 2015.

Stock Option Rollforward Table

	PNC		PNC Options Converted From National City		Total			
	Shares	Weighted Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2015	81,684	$54.69	1,758	$463.28	83,442	$63.30		
Granted (a)	-	-	-	-	-	-		
Exercised	(43,584)	56.71	-	-	(43,584)	56.71		
Cancelled	-	-	-	-	-	-		
Outstanding at December 31, 2015	38,100	$52.39	1,758	$463.28	39,858	$70.51	3.2 years	$1,635
Vested and expected to vest, December 31 (b)	38,100	$52.39	1,758	$463.28	39,858	$70.51	3.2 years	$1,635
Exercisable at December 31, 2015	38,100	$52.39	1,758	$463.28	39,858	$70.51	3.2 years	$1,635

(a) No stock options were granted in 2015.

(b) Adjusted for estimated forfeitures on unvested options

To determine stock-based compensation expense, the grant-date fair value is applied to the options granted with a reduction for estimated forfeitures. The Company recognizes compensation expense for stock options on a straight-line basis over the specified vesting period.

The total intrinsic value of options exercised during 2015, was approximately $1.7 million. Cash received from option exercises under all Incentive Plans for 2015 was approximately $2.5 million.

During 2015, the Company's employees exercised 43,584 stock options with 36,684 related shares issued by PNC from treasury shares of PNC common stock, and 6,900 related shares issued by PNC from newly issued PNC common stock.

Incentive/Performance Unit Awards and Restricted Share/Restricted Share Unit Awards

The fair value of nonvested incentive/performance unit awards and restricted share/restricted share unit awards is initially determined based on prices not less than the market value of PNC's common stock price on the date of grant. The value of certain incentive/performance unit awards is subsequently remeasured based on the achievement of one or more financial and other performance goals. The Personnel and Compensation Committee ("P&CC") of the Board of Directors of PNC approves the final award payout with respect to incentive/performance unit awards. These awards have either a three-year or a four-year performance period and are payable in either stock or a combination of stock and cash. Restricted share/restricted share unit awards generally cliff vest over a period of three years from the date of grant.

Beginning in 2013 and continuing in 2015, PNC incorporated several enhanced risk-related performance changes to certain long-term incentive compensation programs. In addition to achieving certain financial performance metrics on both a PNC absolute basis and relative to PNC's peers, final payout amounts will be subject to reduction if PNC fails to meet certain risk-related performance metrics as specified in the award agreements. However, the P&CC has the discretion to waive any or all of this reduction under certain circumstances.

The weighted-average grant-date fair value of incentive/performance unit awards and restricted share/restricted share unit awards granted in 2015 was $91.88 per share. The total intrinsic value of incentive/performance unit and restricted share/restricted share unit awards vested during 2015 was approximately $6.3 million. The Company recognizes compensation expense for such awards ratably over the corresponding vesting and/or performance periods for each type of program.

Nonvested Incentive/Performance Unit Awards and Restricted Share/Restricted Share Unit Awards – Rollforward

	Nonvested Incentive/ Performance Units	Weighted-Average Grant Date Fair Value	Nonvested Restricted Share/ Restricted Share Units	Weighted-Average Grant Date Fair Value
December 31, 2014	93,701	$71.61	128,252	$70.25
Granted (a)	44,638	91.69	55,010	92.03
Vested/Released (a)	(30,887)	68.76	(38,151)	60.56
Forfeited	(12,808)	79.70	(14,777)	80.03
December 31, 2015	94,644	$80.92	130,334	$81.18

(a) Includes adjustments for achieving specific performance goals for Incentive/Performance Unit Awards granted in prior periods.

In the preceding table, the units and related weighted-average grant-date fair value of the incentive/performance unit awards exclude the effect of dividends on the underlying PNC shares, as those dividends will be paid in cash if and when the underlying shares are issued to the participants.

Liability Awards

A summary of all nonvested, cash-payable restricted share unit activity follows:

Nonvested Cash-Payable Restricted Share Units – Rollforward

	Nonvested Cash-Payable Restricted Share Units	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2014	86,485	
Granted	31,061	
Vested/Released	(48,318)	
Forfeited	-	
Outstanding at December 31, 2015	69,228	$6,598

Included in the preceding table are cash-payable restricted share units granted to certain of the Company's executives. These grants were made primarily as part of an annual bonus incentive deferral plan. While there are time-based and other vesting criteria, there are no market or performance criteria associated with these awards. Prior to the 2015 grant, compensation expense recognized related to these awards was recorded by the Company in prior periods as part of the annual cash bonus process. Due to certain requisite service period changes in the award agreements starting with the 2015 grant (for the 2014 performance year), compensation expense is recognized ratably over a four year period commensurate with the performance year plus the three years of service-based vesting requirements.

The total of all share-based liability awards paid out during 2015 was approximately $4.5 million.

Employee Stock Purchase Plan
As of December 31, 2015, PNC's ESPP had approximately 1 million shares available for issuance. Full-time employees with six months and part-time employees with 12 months of continuous employment with a participating PNC entity, including the Company, are eligible to participate in the ESPP at the commencement of the next six-month offering period. Eligible participants may purchase PNC common stock at 95% of the fair market value on the last day of each six-month offering period. No charge to earnings is recorded with respect to the ESPP.

During 2015, PNC issued 1,405 shares of its common stock attributable to participants of the Company, at a purchase price of $90.87 per share and $90.55 per share at June 30, 2015, and December 31, 2015, respectively.

12. Fair Value of Financial Instruments

Fair Value Measurement
Fair value is defined in GAAP as the price that would be received to sell an asset or the price that would be paid to transfer a liability on the measurement date. GAAP focuses on the exit price in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. GAAP establishes a fair value reporting hierarchy to maximize the use of observable inputs when measuring fair value and defines the three levels of inputs as noted below.

Level 1 — Fair value is determined using a quoted price in an active market for identical assets or liabilities. Level 1 assets and liabilities may include debt securities, equity securities and listed derivative contracts that are traded in an active exchange market and certain U.S. Treasury securities that are actively traded in over-the-counter markets.

Level 2 — Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly. Level 2 assets and liabilities may include debt securities, equity securities and listed derivative contracts with quoted prices that are traded in markets that are not active, and certain debt and equity securities and over-the-counter derivative contracts whose fair value is determined using a pricing model without significant unobservable inputs.

Level 3 — Fair value is estimated using unobservable inputs that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities may include financial instruments whose value is determined using pricing services, pricing models with internally developed assumptions, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

We characterize active markets as those where transaction volumes are sufficient to provide objective pricing information, with reasonably narrow bid/ask spreads and where dealer quotes received do not vary widely and are based on current information. Inactive markets are typically characterized by low transaction volumes, price quotations that vary substantially among market participants or are not based on current information, wide bid/ask spreads, a significant increase in implied liquidity risk premiums, yields, or performance indicators for observed transactions or quoted prices compared to historical periods, a significant decline or absence of a market for new issuance, or any combination of the above factors. We also consider nonperformance risks including credit risk as part of our valuation methodology for all assets and liabilities measured at fair value.

Securities are classified within the fair value hierarchy after giving consideration to the activity level in the market for the security type and the observability of the inputs used to determine the fair value. When a quoted price in an active market exists for the identical security, this price is used to determine fair value and the security is classified within Level 1 of the hierarchy. Level 1 securities include certain U.S. Treasury securities. When a quoted price in an active market for the identical security is not available, fair value is estimated using either an alternative market approach, such as a recent trade or matrix pricing, or an income approach, such as a discounted cash flow pricing model. If the inputs to the valuation are based primarily on market observable information, then the security is classified within Level 2 of the hierarchy. Level 2 securities include agency debt securities, agency residential mortgage-backed securities, agency commercial mortgage-backed securities, municipal securities, and other debt securities. Level 2 securities are predominantly priced by or validated against third parties, either a pricing vendor or dealer.

In certain cases where there is limited activity or less transparency around the inputs to the valuation, securities are classified within Level 3 of the hierarchy. Certain infrequently traded financial instruments are classified in Level 3. The significant unobservable inputs used to estimate the fair value of these securities include an estimate of expected credit losses and a discount for liquidity risk. These inputs are incorporated into the fair value measurement by either increasing the spread over the benchmark curve or by applying a credit and liquidity discount to the par value of the security. Significant increases (decreases) in credit and/or liquidity risk could result in a significantly lower (higher) fair value estimate. Assets and liabilities measured at fair value on a recurring basis are summarized below.

The following table represents assets and liabilities measured at fair value on a recurring basis at December 31, 2015:

(in thousands)	Level 1	Level 2	Level 3	Assets/ Liabilities Measured at Fair Value
Assets				
Financial derivatives				
TBA derivatives	$ -	$ 5,156	$ 2,962	$ 8,118
Interest rate derivatives	-	27	-	27
Total financial derivatives	-	5,183	2,962	8,145
Securities owned at fair value				
Money market mutual fund	106,011	-	-	106,011
Trading securities				
Debt				
U.S. government and agencies (a)	22,887	5,076	-	27,963
Residential mortgage-backed agency	-	434,757	-	434,757
Commercial mortgage-backed agency	-	75,721	-	75,721
State and municipal	-	142,871	-	142,871
Corporate and other	-	17,842	-	17,842
Total trading securities	22,887	676,267	-	699,154
Total assets	$ 128,898	$ 681,450	$ 2,962	$ 813,310
Liabilities				
Financial derivatives				
TBA derivatives	$ -	$ 4,523	$ -	$ 4,523
Interest rate derivatives	-	2,742	-	2,742
Total financial derivatives	-	7,265	-	7,265
Securities sold not yet purchased				
Debt				
U.S. government and agencies	106,193	-	-	106,193
Residential mortgage-backed agency	-	21,853	-	21,853
Corporate and other	-	5,445	-	5,445
Total securities sold not yet purchased	106,193	27,298	-	133,491
Total liabilities	$ 106,193	$ 34,563	$ -	$ 140,756

(a) Includes $6.1 million qualified securities designated for the exclusive benefit of customers (See Note 7).

The following table presents information about the Company's financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2015:

(in thousands) **Level 3 - Instruments Only**		**Reconciliation of Level 3 Fair Value Financial Instruments Owned at Fair Value**
Balance at beginning of year	$	1,945
Total gains or losses (realized/unrealized)		
Included in earnings		1,017
Balance at end of year	$	2,962

The following represents additional fair value information related to financial instruments:

December 31, 2015

(In thousands)	CARRYING AMOUNT	FAIR VALUE	Level 1	Level 2	Level 3
Assets					
Cash and due from bank (a)	$ 19,821	$ 19,821	$ 19,821	$ -	$ -
Short-term assets	111,202	111,202	-	111,202	-
Money market mutual fund	106,011	106,011	106,011	-	-
Trading securities (b)	699,154	699,154	22,887	676,267	-
Financial derivatives					
Not designated as hedging instruments under GAAP	8,145	8,145	-	5,183	2,962
Total Financial Instruments	$ 944,333	$ 944,333	$ 148,719	$ 792,652	$ 2,962
Liabilities					
Borrowed funds and other	$ 624,043	$ 624,043	$ 106,193	$ 517,850	$ -
Financial derivatives					
Not designated as hedging instruments under GAAP	7,265	7,265	-	7,265	-
Total Financial Instruments	$ 631,308	$ 631,308	$ 106,193	$ 525,115	$ -

(a) Includes $2.0 million in restricted cash for the exclusive benefit of customers (See Note 7)

(b) Includes $6.1 million qualified securities designated for the exclusive benefit of customers (See Note 7)

During 2015, there were no transfers of assets or liabilities between Levels 1 and 2.

The aggregate fair values in the table above do not represent the total market value of PNCCM's assets and liabilities as the table excludes the following:
• real and personal property,
• other assets and reserves,
• other accrued expenses, and
• other general liabilities.

We used the following methods and assumptions to estimate fair value amounts for financial instruments.

General
For short-term financial instruments realizable in three months or less, the carrying amount reported on our Balance Sheet approximates fair value. Unless otherwise stated, the rates used in discounted cash flow analyses are based on market yield curves.

Cash and Cash Equivalents
The carrying amounts reported on our Statement of Financial Condition for cash and cash equivalents approximate fair values. For purposes of this disclosure only, cash and cash equivalents includes the following:
• cash on deposit with PNC Bank N.A.,
• segregated deposit with PNC Bank N.A., and
• money market mutual fund investment with an affiliate.

Cash and due from banks are classified as Level 1.

Short-Term Assets
The carrying amounts reported on our Statement of Financial Condition for short-term investments approximate fair values primarily due to their short-term nature. For purposes of this disclosure only, short-term assets include the following:
• resale agreements,
• interest rate swap collateral with an affiliate,
• cash collateral at Fixed Income Clearing Corporation, and
• accrued interest receivable

Short-term assets are classified as Level 2.

Trading Securities
For trading securities, we primarily use prices obtained from pricing services, dealer quotes or recent trades to determine the fair value of securities. As of December 31, 2015, all of the positions in these portfolios were priced by or validated against pricing data provided by third-party vendors. The third-party vendors use a variety of methods when pricing securities that incorporate relevant market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions. One of the vendor's prices are set with reference to market activity for highly liquid assets, such as U.S. Treasury and agency securities and agency mortgage-backed securities, and matrix pricing for other asset classes, such as commercial mortgage and other asset-backed securities. Another vendor primarily uses pricing models considering adjustments for ratings, spreads, matrix pricing and prepayments for the instruments we value using this service, such as agency adjustable rate mortgage securities, agency CMOs, commercial mortgage-backed securities, and municipal bonds. Management uses various methods and techniques to validate prices, including reference to third-party sources, by reviewing valuations of comparable instruments, or by comparison to internal valuations.

Borrowed Funds and Other
The carrying amounts of repurchase agreements, trading securities sold short, and accrued interest and fees payable are considered to be their fair value because of their short-term nature. For all other borrowed funds, fair values are estimated using either prices obtained from third-party vendors or an internally developed discounted cash flow approach taking into consideration our current incremental borrowing rates for similar instruments.

Financial Derivatives
The majority of derivatives that we enter into are executed over-the-counter and are valued using internal models. These derivatives are classified as Level 2 as the readily observable market inputs to these models are validated to external sources. The external sources for these inputs include industry pricing services, or are corroborated through recent trades, dealer quotes, yield curves, implied volatility or other market-related data. Level 2 financial derivatives are primarily estimated using a combination of Eurodollar future prices and observable benchmark interest rate swaps to construct projected discounted cash flows. A forward settling security classified as a derivative with significant unobservable inputs pertaining to liquidity risk was classified as Level 3. The significant unobservable inputs used to estimate the fair value of these securities include an estimate of discount for liquidity risk.

13. Financial Instruments With Market and Credit Risk

The Company enters into various transactions involving financial instruments with market and credit risk, including securities sold not yet purchased and securities purchased and sold on a when-issued basis. These financial instruments are used to meet the needs of customers and conduct related hedging activities, and are subject to varying degrees of market and credit risk.

The obligation for securities sold not yet purchased represents a commitment to deliver specified securities. The Company will acquire the required securities at prevailing future market prices to satisfy this obligation. Accordingly, the Company's ultimate obligation may exceed the amount recognized in the financial statements. Exposure to market risk is managed by the Company through position limits and other controls.

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These transactions may expose the Company to market and credit risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

14. Litigation

The Company establishes accruals for legal proceedings, including litigation, arbitrations, and regulatory and governmental investigations and inquiries, when information related to the loss contingencies represented by those matters indicates both that a loss is probable and that the amount of loss can be reasonably estimated. Any such accruals are adjusted thereafter as appropriate to reflect changed circumstances. When we are able to do so, we also determine estimates of possible losses or ranges of possible losses, whether in excess of any related accrued liability or where there is no accrued liability, for disclosed legal proceedings (the "Disclosed Matter," which is the matter disclosed in this Note). For the Disclosed Matter, as of December 31, 2015, we estimate that it is reasonably possible that the Company could incur losses in an aggregate amount of up to approximately $6.0 million. The estimates included in this amount are based on our analysis of currently available information and are subject to significant judgment and a variety of assumptions and uncertainties. As new information is obtained we may change our estimates.

Due to the inherent subjectivity of the assessments and unpredictability of outcomes of legal proceedings, any amounts accrued or included in this aggregate amount may not represent the ultimate loss to us from the legal proceedings in question. Thus, our exposure and ultimate losses may be higher, and possibly significantly so, than the amounts accrued or this aggregate amount. The estimated aggregate amount also does not reflect any of our exposure to matters not disclosed.

In our experience, legal proceedings are inherently unpredictable. In many legal proceedings, various factors exacerbate this inherent unpredictability, including, among others, one or more of the following: the proceeding is in its early stages; the damages sought are unspecified, unsupported or uncertain; it is unclear whether a case brought as a class action will be allowed to proceed on that basis or, if permitted to proceed as a class action, how the class will be defined; the plaintiff is seeking relief other than or in addition to compensatory damages; the matter presents meaningful legal uncertainties, including novel issues of law; we have not engaged in meaningful settlement discussions; discovery has not started or is not complete; there are significant facts in dispute; and there are a large number of parties named as defendants (including where it is uncertain how liability, if any, will be shared among multiple defendants). As a result, we may not always be able to estimate possible losses or ranges of possible losses for every matter that we disclose.

We include in the description of the Disclosed Matter certain quantitative information related to the plaintiff's claim against us alleged in the plaintiff's pleadings or otherwise publicly available. While information of this type may provide insight into the potential magnitude of a matter, it does not necessarily represent our estimate of reasonably possible loss or our judgment as to any currently appropriate accrual.

In 2009, Fulton Financial Advisors, N.A. filed a lawsuit against the Company in the Court of Common Pleas of Lancaster County, Pennsylvania arising out of Fulton's purchase of auction rate certificates (ARCs) through the Company (Fulton Financial Advisors, N.A. v. PNC Capital Markets LLC (CI 09-10838)). Fulton also filed an analogous lawsuit against NatCity Investments, Inc. an affiliate of the Company. The lawsuit alleges violations of the Pennsylvania Securities Act, negligent misrepresentation, negligence, breach of fiduciary duty, common law fraud, and aiding and abetting common law fraud in connection with the purchase of the ARCs by Fulton. Specifically, Fulton alleges that, as a result of the decline of financial markets in 2007 and 2008, the market for ARCs became illiquid; that the Company knew or should have known of the increasing threat of the ARC market becoming illiquid; and that the Company did not inform Fulton of this increasing threat, but allowed Fulton to continue to purchase ARCs, to Fulton's detriment. In its complaints, Fulton alleges that it then held ARCs purchased through the Company for a price of more than $123 million. In its complaint, Fulton seeks, among other things, unspecified actual and punitive damages, rescission, attorneys' fees and interest.

The Company filed preliminary objections to Fulton's complaint, which were denied. Fulton filed an amended complaint in December 2013, reasserting its negligence and breach of fiduciary duty claims and adding a new claim under the Pennsylvania Securities Act. In February 2015, both parties filed motions for summary judgment.

The Company is the subject of investigations, audits and other forms of regulatory and governmental inquiry covering a broad range of issues in our business, in some cases as part of reviews of specified activities at multiple industry participants. Over the last few years, we have experienced an increase in regulatory and governmental investigations, audits and other inquiries. Areas of current regulatory or governmental inquiry with respect to PNC include municipal finance activities. These inquiries may lead to administrative, civil or criminal proceedings, and possibly result in remedies including fines, penalties, restitution, alterations in our business practices, and in additional expenses and collateral costs.

In addition to the matter described above, the Company and persons to whom we may have indemnification obligations, in the normal course of business, are subject to various other pending and threatened legal proceedings in which claims for monetary damages and other relief are asserted. We do not anticipate, at the present time, that the ultimate aggregate liability, if any, arising out of such other legal proceedings will have a material adverse effect on our financial position. However, we cannot now determine whether or not any claims asserted against us or others to whom we may have indemnification obligations, whether in the matter described above or otherwise, will have a material adverse effect on our results of operations in any future reporting period, which will depend on, among other things, the amount of the loss resulting from the claim and the amount of income otherwise reported for the reporting period.

15. Commitments and Contingencies

The Company leases various types of equipment under noncancelable leases with remaining terms of less than four years with certain renewal options for like terms. At December 31, 2015, future minimum rentals under these lease agreements aggregated to approximately $1.7 million. Minimum rentals for the years 2016 and 2017 are approximately $1.4 million and $271,000, respectively. There are no rental commitments after 2017.

The Company provides indemnification in connection with securities offering transactions in which it is involved. When the Company is an underwriter or placement agent, it provides a limited indemnification to the issuer related to its actions in connection with the offering and, if there are other underwriters, indemnification to the other underwriters intended to result in an appropriate sharing of the risk of participating in the offering. However, the potential requirement for the Company to make payments under these arrangements is remote. Accordingly, no liability has been recognized for these transactions.

In the normal course of business, the Company enters into underwriting and when-issued commitments. The Company had no other contractual commitments at December 31, 2015.

In accordance with industry practice, the Company generally settles transactions executed on behalf of its customers within three business days after the trade date. The risk of loss on unsettled transactions relates to the customers' or brokers' inability to meet the terms of their contracts. Settlement of these transactions did not have a material effect on the Company's financial statements in 2015.

16. Subsequent Events

The Company has conducted a review for any additional significant subsequent events through February 26, 2016, that would require additional disclosures. During the Company's review, it was determined that no additional significant subsequent events have occurred that would require additional disclosures in these notes to the financial statements at December 31, 2015.

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Report of Independent Registered Public Accounting Firm

To the Board of Managers of
PNC Capital Markets LLC:

We have examined PNC Capital Markets LLC's (the Company) assertions, included in the accompanying PNC Capital Markets LLC Compliance Report, that

(1) the Company's internal control over compliance with the financial responsibility rules (as defined below) was effective during the period January 1, 2015 to December 31, 2015 based on controls necessary to achieve the objectives of the financial responsibility rules,

(2) the Company's internal control over compliance with the financial responsibility rules was effective as of December 31, 2015 based on controls necessary to achieve the objectives of the financial responsibility rules,

(3) the Company was in compliance with 17 C.F.R. §§ 240.15c3-1 (the "net capital rule") and 240.15c3-3(e) (the "reserve requirements rule") as of December 31, 2015, and

(4) the information used to assert that the Company was in compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) was derived from the Company's books and records.

The Company's management is responsible for establishing and maintaining a system of internal control over compliance that has the objective of providing the Company with reasonable assurance that non-compliance with 17 C.F.R. § 240.15c3-1, 17 C.F.R. § 240.15c3-3 (the "customer protection rule"), 17 C.F.R. § 240.17a-13 ("the quarterly securities count rule"), or Rule 2340 of Financial Industry Regulatory Authority (the "account statements rule"), which requires account statements to be sent to the customers of the Company (collectively, the "financial responsibility rules") will be prevented or detected on a timely basis. The Company's management is also responsible for compliance with the net capital rule and the reserve requirements rule and that the information used to assert compliance was derived from the books and records. Our responsibility is to express an opinion on the Company's assertions based on our examination.

We conducted our examination in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether (1) the Company's internal control over compliance with the financial responsibility rules was effective as of and during the period January 1, 2015 to December 31, 2015, (2) the Company complied with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of December 31, 2015 and (3) the information used to assert compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e) as of December 31, 2015 was derived from the Company's books and records. Our examination included testing and evaluating the design and operating effectiveness of internal control over compliance with the financial responsibility rules, testing and evaluating the Company's compliance with 17 C.F.R. §§ 240.15c3-1 and 240.15c3-3(e), determining whether the information used to assert compliance with 240.15c3-1 and 240.15c3-3(e) was derived from the Company's books and records, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on PNC Capital Markets LLC's compliance with the financial responsibility rules.

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Because of its inherent limitations, internal control over compliance may not prevent or detect non-compliance with the financial responsibility rules. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, PNC Capital Markets LLC's assertions referred to above are fairly stated, in all material respects.

[redacted]

Pittsburgh, PA
February 26, 2016

PNC

PNC Capital Markets LLC Compliance Report

PNC Capital Markets LLC (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). *As* required by 17 C.F.R. § 240.17a-5(d)(1) and (3), the Company states as follows:

(1) The Company has established and maintained Internal Control Over Compliance, as that term is defined in paragraph (d)(3)(ii) of Rule 17a-5;

(2) The Company's Internal Control Over Compliance was effective during the period from to January 1, 2015 to December 31, 2015;

(3) The Company's Internal Control Over Compliance was effective as of December 31, 2015;

(4) The Company was in compliance with 17 C.F.R. §240.15c3-1 and 17 C.F.R. §240.15c3-3(e) as of December 31, 2015; and

(5) The information the Company used to state that the Company was in compliance with 17 C.F.R. § 240.15c3-1and 17 C.F.R. § 240.15c3-3(e) was derived from the books and records of the Company.

PNC Capital Markets LLC

I, Charlotte McLaughlin, swear (or affirm) that, to my best knowledge and belief, this Compliance Report is true and correct.

By: [redacted]
Title: Charlotte McLaughlin
Chief Executive Officer

February 26, 2016

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Report of Independent Accountants

To the Board of Managers of
PNC Capital Markets LLC:

In accordance with Rule 17a-5(e)(4) of the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of the Securities Investor Protection Corporation (SIPC) of PNC Capital Markets LLC for the year ended December 31, 2015, which were agreed to by PNC Capital Markets LLC, the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and the Securities Investor Protection Corporation (collectively, the "specified parties") solely to assist the specified parties in evaluating PNC Capital Markets LLC's compliance with the applicable instructions of Form SIPC-7 during the year ended December 31, 2015. Management is responsible for PNC Capital Markets LLC's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments on page 1, items 2B and 2F of Form SIPC-7 with the respective cash disbursement records entries, as follows:

   a. Agreed the amount $185,891 listed on item 2B to a wire dated July 29, 2015 and payable to the order of Securities Investor Protection Corp obtained from management, noting no differences.
   b. Agreed the amount of $153,825 listed on item 2F to a wire dated February 24, 2015 payable to the order of Securities Investor Protection Corp obtained from management, noting no differences.

2. Compared the Total Revenue amount reported on page 4 of the audited Form X-17A-5 for the year ended December 31, 2015 to the Total revenue amount of $237,291,448 reported on page 2, item 2a of Form SIPC-7 for the year ended December 31, 2015.

3. Compared any adjustments reported on page 2, items 2b and 2c of Form SIPC-7 with the supporting schedules and working papers, as follows:

   a. Compared additions on line 2b (2) of $8,437,225 to the audited Form X-17A-5 line item Net trading losses for the year ended December 31, 2015, noting no differences.

   b. Compared deductions on line 2c (1) of $3,025,926 to account 52179 in the General Ledger and support entitled "Retail Trading Desk Passback" provided by management relating to revenues earned from the sales of shares of registered open end investment companies and unit investment trusts for the year ended December 31, 2015, noting no differences.

PricewaterhouseCoopers LLP, 600 Grant Street, Pittsburgh, PA 15219
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c. Compared deductions on line 2c (3) of $90,559 to accounts 67571 and 67915 in the General Ledger, which relate to commissions paid to other SIPC members in connection with securities transactions during the year ended December 31, 2015, noting no differences.

d. Compared deductions on line 2c (8) of $100,133,905 to account 52560 cost centers 0087001 and 0087003, account 54406 and account 55435 in the General Ledger, which relate to revenues earned but not related directly or indirectly to the securities business for the year ended December 31, 2015, noting no differences.

e. Compared deductions on line 2c (9i) of $6,591,870 to account 36420, account 44320, account 44850, account 44851, account 45500, account 45510, account 45520, account 45525, account 45526 and account 45950 in the General Ledger for the year ended December 31, 2015, noting no differences.

4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers obtained in procedure 3, as follows:

   a. Recalculated the mathematical accuracy of the SIPC Net Operating Revenues on page 2, line 2d and the General Assessment @ .0025 on page 2, line 2e of $135,886,413 and $339,716, respectively of the Form SIPC-7, noting no differences.
   b. Recalculated the mathematical accuracy of the Total Additions on page 2 of $8,437,225 of the Form SIPC-7, noting no differences.
   c. Recalculated the mathematical accuracy of the Total Deductions on page 2 of $109,842,260 of the Form SIPC-7, noting no differences.
   d. Recalculated the mathematical accuracy of the "Retail Trading Desk Passback" schedule provided by management in support of the deduction taken on line 2c (1) relating to revenues earned from the sales of shares of registered open end investment companies and unit investment trusts for the year ended December 31, 2015, noting no differences.

5. Compared the amount of any overpayment applied to the current assessment on page 1, item 2C of Form SIPC-7 with page 1, item 2H of the Form SIPC-7T filed for the prior period ended December 31, 2014 on which it was originally computed, noting no differences.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Company's preparation of Form SIPC-7 in accordance with the applicable instructions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Board of Managers of PNC Capital Markets LLC, the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and the Securities Investor Protection Corporation and is not intended to be and should not be used by anyone other than these specified parties.

[redacted]

February 26, 2016

SIPC-7
(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION
P.O. Box 92185 Washington, D.C. 20090-2185
202-371-8300
General Assessment Reconciliation

SIPC-7
(33-REV 7/10)

For the fiscal year ended 12/31/2015
(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

WORKING COPY

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

032493 FINRA DEC
PNC CAPITAL MARKETS LLC
ATTN CRAIG WICKS
225 5TH AVE
PITTSBURGH PA 15222-2724

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Craig Wicks 412-762-9595

2. A. General Assessment (item 2e from page 2)		$ 339,716
B. Less payment made with SIPC-6 filed (exclude interest) 07-29-15 Date Paid		(185,891)
C. Less prior overpayment applied		( )
D. Assessment balance due or (overpayment)		153,825
E. Interest computed on late payment (see instruction E) for ____ days at 20% per annum		
F. Total assessment balance and interest due (or overpayment carried forward)		$ 153,825
G. PAID WITH THIS FORM: Check enclosed, payable to SIPC Total (must be same as F above)	$ 153,825	
H. Overpayment carried forward	$( )	

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

PNC Capital Markets, LLC

[redacted]

(Authorized Signature) (FINOP)

Dated the 24 day of February, 20 16.

V.P. (FINOP)
(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: ________ Postmarked ________ Received ________ Reviewed

Calculations ________ Documentation ________ Forward Copy ________

Exceptions:

Disposition of exceptions:

DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period beginning 01-01-2015 and ending 12-31-2015

Item No.	Eliminate cents
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)	$237,291,448
2b. Additions:	
(1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.	
(2) Net loss from principal transactions in securities in trading accounts.	8,437,225
(3) Net loss from principal transactions in commodities in trading accounts.	
(4) Interest and dividend expense deducted in determining item 2a.	
(5) Net loss from management of or participation in the underwriting or distribution of securities.	
(6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.	
(7) Net loss from securities in investment accounts.	
Total additions	8,437,225
2c. Deductions:	
(1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.	3,025,926
(2) Revenues from commodity transactions.	
(3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.	90,559
(4) Reimbursements for postage in connection with proxy solicitation.	
(5) Net gain from securities in investment accounts.	
(6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.	
(7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).	
(8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C): Loan Syndications & Asset Securitizations (Deductions in excess of $100,000 require documentation)	100,133,905
(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. $6,591,870	
(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). $	
Enter the greater of line (i) or (ii)	6,591,870
Total deductions	109,842,260
2d. SIPC Net Operating Revenues	$135,886,413
2e. General Assessment @ .0025	$339,716 (to page 1, line 2.A.)

PNC Capital Markets LLC

Statement of Financial Condition
Pursuant to Rule 17a-5 Under the Securities
Exchange Act of 1934
December 31, 2014

PNC Capital Markets LLC
Index
December 31, 2014

Report of Independent Registered Public Accounting Firm

To the Board of Managers of
PNC Capital Markets LLC:

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of PNC Capital Markets LLC (the "Company") at December 31, 2014, in conformity with accounting principles generally accepted in the United States of America. The statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on the statement of financial condition based on our audit. We conducted our audit of the statement of financial condition in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, and evaluating the overall presentation of the statement of financial condition. We believe that our audit provides a reasonable basis for our opinion.

[redacted]

February 27, 2015

PricewaterhouseCoopers LLP, 600 Grant Street, Pittsburgh, PA 15219
T: (412) 355 6000, F: (412) 355 8089, www.pwc.com/us

PNC Capital Markets LLC
Statement of Financial Condition
December 31, 2014

(in thousands)

Assets		
Cash and cash equivalents	$	30,515
Cash and securities segregated under Federal and other regulations		6,216
Receivables from brokers, dealers and others		85,448
Receivables from customers		581
Other receivables (net of reserves of $57)		6,266
Securities owned - at fair value ($604 million pledged)		
Agency residential and commercial mortgage backed		753,860
State and municipal		112,702
Corporate debt		21,223
U.S. government and government agencies (see Note 7 for segregated securities)		14,190
Securities purchased under agreement to resell		72,321
Deferred tax asset		7,181
Other assets		15,621
Total assets	$	1,126,124
Liabilities and Member's Equity		
Liabilities		
Repurchase agreements		581,656
Securities sold not yet purchased - at fair value		
U.S. government		65,483
Other debt securities		11,132
Deferred revenue		5,547
Payable to brokers, dealers and others		856
Accrued salaries and benefits		50,389
Accrued tax liability		2,969
Other liabilities		13,763
Total liabilities	$	731,795
Member's equity	$	394,329
Total liabilities and member's equity	$	1,126,124

The accompanying notes are an integral part of these financial statements.

1. Organization

PNC Capital Markets, LLC ("PNCCM" or the "Company") is a wholly owned subsidiary of PNC Holding LLC (the "Parent"), which is a wholly owned subsidiary of The PNC Financial Services Group, Inc. ("PNC"). PNCCM is registered as a securities broker and dealer pursuant to the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority.

The Company underwrites, deals and trades in corporate debt and state and municipal obligations. The Company also trades in U.S. government and agency securities, mortgage-backed securities, asset-backed securities, commercial paper, and money market instruments. In addition, The Company acts as an agent for affiliates of PNC and others in certain securities transactions and provides corporate finance services, including arranging loan syndications for PNC customers.

2. Significant Accounting Policies

Basis of Financial Statement Presentation
The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

We prepared these financial statements and assumptions that affect the amounts reported. Our most significant estimates pertain to our fair value measurements, reserve on receivables, and litigation reserves. Actual results may differ from the estimates and the differences may be material to the financial statements.

The Company evaluated the materiality of identified errors in the financial statements using both an income statement and a balance sheet approach. We also consider the impact of subsequent events.

Cash and Cash Equivalents
Cash and cash equivalents, includes cash held at PNC Bank, N.A., an affiliate and wholly owned subsidiary of PNC. Cash and cash equivalents also include money market funds, which are highly liquid investments that are readily convertible to cash and typically have a dollar-weighted average maturity of 60 days or less.

Cash and securities segregated under Federal and other regulations
Cash and securities segregated under Federal and other regulations represent cash and securities held in Special Reserve Accounts for the Exclusive Benefit of Customers. These cannot be used in the ordinary operations of the business. This line item also includes segregated cash margin collateral held at PNC Bank, N.A.

Reserve on Receivables
The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Company's estimate is based on historical collection experience and a review of the current status of the receivables.

Securities Transactions
Securities transactions are recorded on a trade date basis. Securities are considered trading assets and are marked to fair value.

In the normal course of business, the Company purchases securities under agreements to resell on terms which permit it to repledge or resell the securities to others. At December 31, 2014, the Company had obtained securities under resale agreements with a fair value of approximately $72.2 million, substantially all of which have been either pledged or otherwise transferred to others in connection with the Company's financing activities or to satisfy its commitments under short sales.

In the normal course of business, securities owned by the Company may be pledged to others to collateralize the Company's financing activities.

Securities Valuation
U.S. government and agency, state and municipal, corporate debt, futures contracts, financial derivatives and securities sold, not yet purchased are stated at fair value. Sales of securities not yet purchased represent obligations of the Company to deliver specified securities at a predetermined date and price. The Company is obligated to acquire the specified securities at prevailing market prices in the future to satisfy such obligations.

Many of the Company's assets and liabilities are financial in nature and, therefore, the Company tends to be sensitive to interest rate and other market movements. Disruptions in the liquidity or changes in other factors affecting the financial markets could materially impact our performance and the valuation of certain assets and liabilities.

Resale and Repurchase Agreements
Securities purchased under agreements to resell and securities sold under agreements to repurchase are collateralized by U.S. government and agency obligations and corporate bonds and are carried at amounts at which they will be subsequently resold or repurchased. Interest is accrued on resale and repurchase contract amounts.

It is the policy of the Company to take possession of securities purchased under agreements to resell. Collateral is valued daily and additional collateral is obtained from counterparties when appropriate. The counterparty on all resale agreements at December 31, 2014, was PNC Bank, N.A.

Depreciation and Amortization
Premises and equipment are depreciated over their estimated useful lives using the straight-line method, based on the following schedule:

Asset	Estimated Useful Lives (in years)
Furniture and equipment	7
Personal computers	5
Computer software	5
Internally developed software	1-5

Leasehold improvements are amortized over the shorter of the term of the lease or estimated useful lives using the straight-line method.

Income Taxes
The Company uses the asset and liability method to account for deferred income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of specific assets and liabilities and are measured using the current enacted tax rates.

The Company is included in the consolidated federal income tax return filed by PNC. The Company's federal income tax expense is computed as if the Company files a separate tax return. The Company is a participant in a master tax sharing policy with PNC. Under this policy, PNC subsidiaries with taxable income record taxes based on the relationship of the Company's federal tax liability computed on a separate company basis, to the federal tax liability of the consolidated group. Subsidiaries with a tax loss receive an allocated benefit from the consolidated group based upon the reduction in taxes otherwise payable by the group.

PNC assumes all state income tax liabilities on behalf of the Company; therefore, any state income tax expense/benefit is settled as a capital adjustment.

Deferred Revenue
Deferred revenue represents funds received for transactions entered into which have not closed or funds received in advance for services performed on an annual basis. Revenue on these items is recognized as the transactions close or pro rata as the services are performed.

Fair Value
The fair value of financial instruments and the methods and assumptions used in estimating fair value amounts are detailed in Note 12, Fair Value of Financial Instruments.

3. Futures Contracts

Futures contracts represent commitments to purchase or sell securities at a specified date and price. These transactions are utilized by the Company to economically hedge against risk positions associated with customer related trading activities. These transactions are subject to market risk, which arises from the inherent fluctuations in the market value of the underlying security to be delivered, and to credit risk, which results from the possibility that a counterparty may be unable to meet the terms of a contract in which the Company has a gain position. The Company's exposure to these risks is limited as these transactions are executed on organized exchanges. Organized exchanges approve counterparties and require security deposits which reduce credit risk. At December 31, 2014, the Company had gross notional futures contract commitments to sell U.S. government obligations and Eurodollar obligations of $40 million and $493 million, respectively. The unrealized loss on these instruments at December 31, 2014 was approximately $129,000 and is reflected net of cash paid as a component of other assets.

4. Financial Derivatives

The Company enters into interest rate swap agreements with PNC Bank N.A. to manage interest rate risk. The total gross notional amount on the interest rate swap agreements outstanding at December 31, 2014 was approximately $229.3 million. The unrealized gain and unrealized loss on these instruments at December 31, 2014, was approximately $12,000 and $4.4 million, respectively, which is included in other assets and other liabilities, respectively, on the Statement of Financial Condition. The Company has pledged $3.6 million in cash collateral held by PNC Bank, N.A. related to those instruments at December 31, 2014.

The Company also utilizes forward contracts in the form of TBA ("To Be Announced") securities to invest in and hedge mortgage-backed instruments. The total gross notional amount on the forward contracts at December 31, 2014 was approximately $2.1 billion. The unrealized gain and loss on these instruments at December 31, 2014 was approximately $5.2 million and $3.4 million, respectively. The unrealized gains and losses are included in other assets and other liabilities, respectively, on the Statement of Financial Condition.

We do not utilize a net presentation on the Statement of Financial Condition for those derivative financial instruments entered into with counterparties under legally enforceable master netting agreements. The master netting agreements reduce credit risk by permitting the closeout netting of various types of derivative instruments with the same counterparty upon the occurrence of an event of default. The master netting agreement also may require the exchange of cash or marketable securities to collateralize either party's net position. In certain cases, minimum thresholds must be exceeded before any collateral is exchanged. Collateral is typically exchanged daily based on the net fair value of the positions with the counterparty as of the preceding day.

The fair value of any securities held or pledged is not included in the net presentation on the Statement of Financial Condition. The following table shows the impact of legally enforceable master netting agreements on our derivative assets and derivative liabilities positions as of December 31, 2014. The table also includes the fair value of any securities collateral held or pledged under these agreements. Cash and securities collateral amounts are included in the table only to the extent of the related net derivative fair values.

Refer to Note 5 Repurchase and Resale Agreements for additional information related to resale and repurchase agreements offsetting.

Derivative Assets and Liabilities Offsetting

December 31, 2014 *in thousands*	Gross Fair Value Derivative Assets	Amounts Offset Under Master Netting Agreements		Net Fair Value Derivative Assets	Securities Collateral Held Under Master Netting Agreements	Net Amounts
		Fair Value Offset Amount	Cash Collateral			
Derivative assets						
Interest rate contracts	$ 12	$ -	$ -	$ 12	$ -	$ 12
TBA contracts	5,170	-	-	5,170	-	5,170
Total derivative assets	$ 5,182	$ -	$ -	$ 5,182 (b)	$ -	$ 5,182

December 31, 2014 *in thousands*	Gross Fair Value Derivative Assets	Amounts Offset Under Master Netting Agreements		Net Fair Value Derivative Assets	Securities Collateral Pledged Under Master Netting Agreements	Net Amounts
		Fair Value Offset Amount	Cash Collateral			
Derivative liabilities						
Interest rate contracts	$ 4,373	$ -	$ -	$ 4,373	$ 3,600	$ 773
TBA contracts (a)	3,416	-	-	3,416	-	3,416
Total derivative liabilities	$ 7,789	$ -	$ -	$ 7,789 (c)	$ 3,600	$ 4,189

(a) We have pledged cash totaling $4.5 million under these agreements to collateralize net derivative liabilities owed to counterparties.

(b) Represents the derivative asset value included in other assets on the Statement of Financial Condition.

(c) Represents the derivative liability value included in other liabilities on the Statement of Financial Condition.

In addition to using master netting arrangements and related collateral agreements to reduce credit risk associated with derivative instruments, we also seek to minimize credit risk by entering into transactions with counterparties with high credit ratings and by using internal credit approvals, limits, and monitoring procedures. Collateral may also be exchanged under certain derivative agreements that are not considered master netting agreements.

Any nonperformance risk, including credit risk, is included in the determination of the estimated net fair value of the derivatives.

5. Repurchase and Resale Agreements

As discussed in Note 2 the Company enters into repurchase and resale agreements where we transfer investment securities to/from PNC Bank, N.A., a related party, with the agreement to repurchase/resell those investment securities at a future date for a specified price. Repurchase and resale agreements are treated as collateralized financing transactions for accounting purposes and are generally carried at the amounts at which the securities will be subsequently reacquired or resold, including accrued interest. Repurchase and resale agreements are typically entered into with counterparties under master netting agreements which provide for the right to set off amounts owed one another and liquidate the purchased or borrowed securities in the event of counterparty default. Our policy is to take possession of securities purchased under agreements to resell. We monitor the market value of securities to be repurchased and resold and additional collateral may be obtained where considered appropriate to protect against credit exposure.

In accordance with the disclosure requirements of ASU 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities*, the table below shows the amounts owed under resale and repurchase agreements. Refer to Note 12 Fair Value of Financial Instruments for additional information regarding the resale agreements. We do not present any repurchase and resale agreements entered into with the same counterparty under a master netting agreement on a net basis on our Statement of Financial Condition.

Refer to Note 4 Financial Derivatives for additional information related to offsetting of financial derivatives.

Resale and Repurchase Agreements Offsetting

In thousands	Gross Resale and Repurchase Agreements	Amounts Offset Under Master Netting Agreements	Net Resale and Repurchase Agreements		Securities Collateral Held Under Master Netting Agreements (a)	Net Amounts
December 31, 2014						
Resale Agreements	$ 72,321	$ -	$ 72,321	(b)	$ 72,209	$ 112
Repurchase Agreements	$ 581,668	$ -	$ 581,668	(c)	$ 581,668	$ -

(a) In accordance with the requirements of ASU 2011-11, represents the fair value of securities collateral purchased or sold, up to the amount owed under the agreement, for agreements supported by a legally enforceable master netting agreement.

(b) Represents the resale agreement amount included in securities purchased under agreement to resell on the Statement of Financial Condition.

(c) Represents the repurchase agreement amount included in repurchase agreements on the Statement of Financial Condition and the related accrued interest expense in the amount of $12 thousand at December 31, 2014, which is included in Other Liabilities on the Statement of Financial Condition.

6. Receivables From and Payables to Brokers, Dealers, and Others

Receivables from and payables to brokers, dealers, and others recorded at cost arise from the settlement of securities transactions and consist of the following at December 31, 2014:

(in thousands)	Receivables	Payables
Net trade date receivable	$ 72,690	$ -
Fails to deliver/receive	371	102
Other amounts due from/to brokers and dealers	12,387	754
	$ 85,448	$ 856

7. Regulatory Requirements

The Company, as a registered broker/dealer, is subject to the Securities and Exchange Commission Uniform Net Capital Rule ("SEC Rule 15c3-1"), which requires the maintenance of minimum net capital. The Company computes net capital under the alternative method. Under this method, required capital is the greater of $250,000 or 2 percent of aggregate debit items computed in accordance with the Formula for Determination of Reserve Requirements for Brokers and Dealers. At December 31, 2014, the Company had net capital of approximately $310.0 million, which was approximately $309.8 million in excess of its required net capital of $250,000.

In accordance with Company policy, the Company paid dividends of $50.0 million in 2014. The Company also complied with applicable regulatory notification requirements for these dividends.

Additionally, the Company maintains cash and qualified securities owned for the exclusive benefit of customers in accordance with SEC Rule 15c3-3. At December 31, 2014, qualified securities designated for the exclusive benefit of customers totaled approximately $6.2 million. In addition, the Company maintained $5,000 in cash for the exclusive benefit of customers. These balances are included in cash and securities segregated under Federal and other regulations on the statement of financial condition.

The Company operates in a highly regulated industry. Applicable laws and regulations restrict permissible activities and investments and require compliance with various financial and customer-related protection standards. The consequences of noncompliance can include substantial monetary and nonmonetary sanctions. In addition, the Company is subject to comprehensive examination and supervision by various governmental and self-regulatory agencies. These regulatory agencies generally have broad discretion to impose restrictions and limitations on the operations of a regulated entity where the agencies determine, among other things, that such operations are unsafe or unsound, fail to comply with applicable law or are otherwise inconsistent with the laws and regulations or with the supervisory policies of these agencies.

8. Income Taxes

Significant components of the Company's net deferred tax asset as of December 31, 2014, are as follows:

(in thousands)

	Federal
Employee benefits	$ 4,276
Deferred compensation	7,469
Deferred revenue	(4,147)
Other tax liabilities	(417)
Net deferred tax asset	$ 7,181

At year end, the Company did not have any amounts relating to uncertain tax benefits.

Examinations are substantially completed for PNC's consolidated federal income tax returns for 2007 through 2010 and they are effectively settled. The Internal Revenue Service (IRS) is currently examining PNC's 2011-2013 returns.

9. Related-party Transactions

Cash and cash equivalents and cash and securities segregated under Federal and other regulations include cash on deposit with PNC Bank N.A. of approximately $12.5 million. Cash and cash equivalents also include $18.0 million invested in a money market mutual fund with an affiliate BlackRock. Included in the other assets line item is $4.5 million of segregated cash collateral at FICC. The Company also has an asset of $3.6 million with PNC Bank, N.A. related to an intercompany margin requirement.

Short-term funding is provided by an affiliate, PNC Funding Corp. ("PNC Funding"), through a $500 million and a $100 million subordinated lines of credit. The lines of credit bear interest at the approximate interest rate equal to PNC Funding's fully loaded blended long-term debt rate. At December 31, 2014, the Company had no outstanding balance under the lines of credit. Borrowings under these lines of credit do not qualify as regulatory net capital.

Overnight funding is provided by PNC Bank, N.A., through a $1.0 billion and a $500 million lines of credit. The lines of credit bear interest at the Effective Federal Funds Rate plus 100 basis points. At December 31, 2014, the Company had no outstanding balance under the lines of credit.

The Company performs financial advisory services for third party clients of PNC Bank, N.A.

The Company provides fee based services to PNC Mortgage, an affiliate.

The Company pays monthly fees to PNC and PNC Bank, N.A. for occupancy, overhead and administrative services.

The Company also provides Retail Trading Desk services to PNC Investments LLC, an affiliate.

During the normal course of business, the Company may execute transactions with PNC Bank, N.A. to purchase securities under agreement to resell or sell securities under agreement to repurchase from an affiliate. In addition, the Company may also provide or receive various other advisory, referral, or administrative services to or from PNC affiliated entities. Related-party balances or transactions not discussed elsewhere as of and for the year ended December 31, 2014, are listed in the following table:

(in thousands)

Assets	
Other receivables	744
Liabilities	
Other liabilities	7,627

The Company participated in the PNC single employer pension plan as described in Note 10. The Company had a payable due to PNC for its required contribution of $12.1 million at December 31, 2014, which is reflected in accrued salary and benefits on the Statement of Financial Condition. The Company had a payable due to PNC for post retirement benefits of $45,000 which is reflected in accrued salary and benefits on the Statement of Financial Condition.

At December 31, 2014, the Company had a TBA derivative of $1.9 million with PNC Bank, N.A., which is included in other assets on the statement of financial condition.

10. Employee Benefit Plans

The Company's employees participate, to the extent they meet minimum eligibility requirements, in various benefit plans sponsored by PNC. PNC sponsors a noncontributory, qualified defined benefit pension plan (The PNC Financial Services Group, Inc. Pension Plan, EIN #251435979 (the "PNC defined benefit pension plan")), which covers substantially all of the Company's employees. Benefits are determined using a cash balance formula where earnings credits are a percentage of eligible compensation. Earnings credit percentages for plan participants on December 31, 2009 are frozen at their level earned to that point. Earnings credits for all employees who become participants on or after January 1, 2010 are a flat 3% of eligible compensation. Participants at December 31, 2009 earn interest based on 30-year Treasury securities with a minimum rate, while new participants on or after January 1, 2010 are not subject to the minimum rate. Pension expense is allocated by PNC to the Company based upon an actuarially determined required contribution which includes service and interest costs related to participants of the Company. The Form 5500 for December 31, 2013 has been filed.

PNC also maintains a nonqualified supplemental pension plan and health and welfare plan for certain employees. The nonqualified plans are unfunded at December 31, 2014.

PNC provides certain health care and life insurance benefits for retired employees (the "Postretirement Benefits") through various plans. PNC reserves the right to terminate plans or make plan changes at any time. Postretirement Benefits expense is allocated by PNC to the Company based upon an actuarially determined expense related to participants of the Company. There are no separate plans solely for the employees of the Company.

The PNC defined benefit pension plan and the Postretirement Benefits are accounted for in accordance with the provisions of ASC 715 Compensation – Retirement Benefits. As of December 31, 2014, assets of the PNC qualified defined benefit pension plan were $4.4 billion and the projected benefit obligation was $4.5 billion. The qualified pension plan assets are maintained in a trust, and the qualified pension plan benefit payments are paid from the trust. PNC and the Company were not required to nor did they make cash contributions to the pension plan during 2014. PNC and the Company's required pension plans cash contribution for 2015 is expected to be zero based on the funding calculations under the Pension Protection Act of 2006.

The Company's employees participate in PNC's Incentive Savings Plan (the "ISP"). Under the ISP, employee contributions of up to 4% of biweekly compensation, as defined in the ISP and subject to the Internal Revenue Code limitations, are matched by the Company.

11. Stock Based Compensation Plans

PNC has long-term incentive award plans (Incentive Plans) that provide for the granting of incentive stock options, nonqualified stock options, stock appreciation rights, incentive shares/performance units, restricted stock, restricted share units, other share-based awards and dollar-denominated awards to executives. Certain Incentive Plan awards may be paid in stock, cash or a combination of stock and cash. PNC typically grants a substantial portion of its stock-based compensation awards during the first quarter of the year. As of December 31, 2014, no stock appreciation rights were outstanding.

Shares of PNC common stock available during the next year for the granting of options and other awards under the PNC Incentive Plans were 17,997,353 at December 31, 2014. Total shares of PNC common stock authorized for future issuance under PNC equity compensation plans totaled 19,017,057 shares at December 31, 2014, which includes shares available for issuance under the PNC Incentive Plans and the PNC Employee Stock Purchase Plan (ESPP) as described below.

Certain employees of the Company receive options and awards under the PNC Incentive Plans. Grants of stock options and restricted stock units were made in the form of a capital contribution by PNC to the Company.

Nonqualified Stock Options

Beginning in 2014, PNC discontinued the use of stock options as a standard element of their long-term equity incentive compensation programs under their Incentive Plans and did not grant any options in 2014. Prior to 2014, options were granted at exercise prices not less than the market value of common stock on the grant date. Generally, options become exercisable in installments after the grant date. No option may be exercisable after 10 years from its grant date. Payment of the option exercise price may be in cash or by surrendering shares of PNC common stock at market value on the exercise date. The exercise price may also be paid by using previously owned shares.

The following tables and related information summarize the various stock option and award activity for employees of the Company for 2014.

Stock Option Rollforward Table

			Options Converted From National City		Total			
Year ended December 31, 2014	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value (in thousands)
Outstanding, January 1	203,080	$58.94	2,246	$561.05	205,326	$64.43		
Granted (a)	-	-	-	-	-	-		
Exercised	(96,396.00)	61.31	-	-	(96,396.00)	61.31		
Cancelled	-	-	(488.00)	913.27	(488.00)	913.27		
Outstanding, December 31	106,684	$56.80	1,758	$463.28	108,442	$63.39	4.1 years	$3,673
Vested and expected to vest, December 31 (b)	106,683	$56.80	1,758	$463.28	108,441	$63.39	4.1 years	$3,673
Exercisable, December 31	105,183	$56.75	1,758	$463.28	106,941	$63.43	4.0 years	$3,627

(a) No stock options were granted in 2014
(b) Adjusted for estimated forfeitures on unvested options

To determine stock-based compensation expense, the grant-date fair value is applied to the options granted with a reduction for estimated forfeitures. The Company recognizes compensation expense for stock options on a straight-line basis over the specified vesting period.

The total intrinsic value of options exercised during 2014, was $2.2 million. Cash received from option exercises under all Incentive Plans for 2014 was approximately $5.9 million.

During 2014, the Company's employees exercised 96,396 stock options with 82,896 related shares issued by PNC from treasury shares of PNC common stock, and 13,500 related shares issued by PNC from newly issued PNC common stock.

Incentive/Performance Unit Share Awards and Restricted Stock/Unit Awards
The fair value of nonvested incentive/performance unit share awards and restricted stock/unit awards is initially determined based on prices not less than the market value of PNC's common stock price on the date of grant. The value of certain incentive/performance unit share awards is subsequently remeasured based on the achievement of one or more financial and other performance goals generally over a three-year period. The Personnel and Compensation Committee ("P&CC") of the Board of Directors approves the final award payout with respect to incentive/performance unit share awards. These awards have either a three-year or a four-year performance period and are payable in either stock or a combination of stock and cash. Restricted stock/share unit awards have various vesting periods generally ranging from 3 years to 5 years.

Beginning in 2013, PNC incorporated several enhanced risk-related performance changes to certain long-term incentive compensation programs. In addition to achieving certain financial performance metrics on both a PNC absolute basis and relative to PNC's peers, final payout amounts will be subject to reduction if PNC fails to meet certain risk-related performance metrics as specified in the award agreements. However, the P&CC has the discretion to waive any or all of this reduction under certain circumstances.

The weighted-average grant-date fair value of incentive/performance unit share awards and restricted stock/unit awards granted in 2014 was $80.93 per share. The Company recognizes compensation expense for such awards ratably over the corresponding vesting and/or performance periods for each type of program.

Nonvested Incentive/Performance Unit Share Awards and Restricted Stock/Unit Awards – Rollforward

	Nonvested Incentive/ Performance Unit Shares	Weighted-Average Grant Date Fair Value	Nonvested Restricted Stock/Share Units	Weighted-Average Grant Date Fair Value
December 31, 2013	72,471	$63.54	103,531	$62.86
Granted	45,310	80.68	53,641	81.14
Vested/Released	(21,849)	63.76	(27,920)	64.21
Forfeited	(2,231)	70.32	(1,800)	61.40
December 31, 2014	93,701	$71.61	127,452	$70.28

In the preceding table, the unit shares and related weighted-average grant-date fair value of the incentive/performance awards exclude the effect of dividends on the underlying PNC shares, as those dividends will be paid in cash if and when the underlying unit shares are released to the participants.

The total fair value of incentive/performance unit share and restricted stock/unit awards vested during 2014 was approximately $4.0 million.

Liability Awards

The table below reflects cash-payable restricted share units granted to certain of the Company's executives. These grants were made primarily as part of an annual bonus incentive deferral plan. While there are time-based and other vesting criteria, there are no market or performance criteria associated with these awards. Compensation expense recognized related to these awards was recorded by the Company in prior periods as part of annual cash bonus criteria.

Nonvested Cash-Payable Restricted Share Units – Rollforward

	Nonvested Cash-Payable Restricted Share Units	Aggregate Intrinsic Value (in thousands)
Outstanding, January 1	114,188	
Granted	33,794	
Vested/Released	(59,746)	
Forfeited	(890)	
Outstanding, December 31	87,346	$7,969

The total of all share-based liability awards paid out during 2014 was approximately $4.8 million.

Employee Stock Purchase Plan
As of December 31, 2014, PNC's ESPP had approximately 1 million shares available for issuance. Full-time employees with six months and part-time employees with 12 months of continuous employment with a participating PNC entity, including the Company, are eligible to participate in the ESPP at the commencement of the next six-month offering period. Eligible participants may purchase our common stock at 95% of the fair market value on the last day of each six-month offering period. No charge to earnings is recorded with respect to the ESPP.

During 2014, PNC issued 2,481 shares of its common stock attributable to participants of the Company, at a purchase price of $84.60 per share and $86.67 per share at June 30, 2014, and December 31, 2014, respectively.

12. Fair Value of Financial Instruments

Fair Value Measurement
Fair value is defined in GAAP as the price that would be received to sell an asset or the price that would be paid to transfer a liability on the measurement date. GAAP focuses on the exit price in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. GAAP establishes a fair value reporting hierarchy to maximize the use of observable inputs when measuring fair value and defines the three levels of inputs as noted below.

Level 1 Fair value is determined using a quoted price in an active market for identical assets or liabilities. Level 1 assets and liabilities may include debt securities, equity securities and listed derivative contracts that are traded in an active exchange market and certain U.S. Treasury securities that are actively traded in over-the-counter markets.

Level 2 Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly. Level 2 assets and liabilities may include debt securities, equity securities and listed derivative contracts with quoted prices that are traded in markets that are not active, and certain debt and equity securities and over-the-counter derivative contracts whose fair value is determined using a pricing model without significant unobservable inputs.

Level 3 Fair value is estimated using unobservable inputs that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities may include financial instruments whose value is determined using pricing services, pricing models with internally developed assumptions, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

We characterize active markets as those where transaction volumes are sufficient to provide objective pricing information, with reasonably narrow bid/ask spreads and where dealer quotes received do not vary widely and are based on current information. Inactive markets are typically characterized by low transaction volumes, price quotations that vary substantially among market participants or are not based on current information, wide bid/ask spreads, a significant increase in implied liquidity risk premiums, yields, or performance indicators for observed transactions or quoted prices compared to historical periods, a significant decline or absence of a market for new issuance, or any combination of the above factors. We also consider nonperformance risks including credit risk as part of our valuation methodology for all assets and liabilities measured at fair value.

Securities are classified within the fair value hierarchy after giving consideration to the activity level in the market for the security type and the observability of the inputs used to determine the fair value. When a quoted price in an active market exists for the identical security, this price is used to determine fair value and the security is classified within Level 1 of the hierarchy. Level 1 securities include certain U.S. Treasury securities. When a quoted price in an active market for the identical security is not available, fair value is estimated using either an alternative market approach, such as a recent trade or matrix pricing, or an income approach, such as a discounted cash flow pricing model. If the inputs to the valuation are based primarily on market observable information, then the security is classified within Level 2 of the hierarchy. Level 2 securities include agency debt securities, agency residential mortgage-backed securities, agency and non-agency commercial mortgage-backed securities, municipal securities, and other debt securities. Level 2 securities are predominantly priced by or validated against third parties, either a pricing vendor or dealer.

In certain cases where there is limited activity or less transparency around the inputs to the valuation, securities are classified within Level 3 of the hierarchy. Certain infrequently traded financial instruments are classified in Level 3. The significant unobservable inputs used to estimate the fair value of these securities include an estimate of expected credit losses and a discount for liquidity risk. These inputs are incorporated into the fair value measurement by either increasing the spread over the benchmark curve or by applying a credit and liquidity discount to the par value of the security. Significant increases (decreases) in credit and/or liquidity risk could result in a significantly lower (higher) fair value estimate. Assets and liabilities measured at fair value on a recurring basis are summarized below.

The following table represents assets and liabilities measured at fair value on a recurring basis at December 31, 2014:

(in thousands)	Level 1	Level 2	Level 3	Assets/ Liabilities Measured at Fair Value
Assets				
Financial derivatives				
TBA derivatives	$ -	$ 3,225	$ 1,945	$ 5,170
Interest rate derivatives	-	12	-	12
Total financial derivatives	-	3,237	1,945	5,182
Securities owned at fair value				
Money market mutual fund	18,000	-	-	18,000
Trading securities				
Debt				
U.S. government and agencies (a)	20,396	-	-	20,396
Residential mortgage-backed agency	-	699,497	-	699,497
Commercial mortgage-backed agency	-	51,595	-	51,595
Commercial mortgage-backed non-agency	-	2,768	-	2,768
State and municipal	-	112,702	-	112,702
Corporate and other	-	21,223	-	21,223
Total trading securities	20,396	887,785	-	908,181
Total assets	$ 38,396	$ 891,022	$ 1,945	$ 931,363
Liabilities				
Financial derivatives				
TBA derivatives	$ -	$ 3,416	$ -	$ 3,416
Interest rate derivatives	-	4,373	-	4,373
Total financial derivatives	$ -	7,789	$ -	7,789
Securities sold not yet purchased				
Debt				
U.S. government and agencies	65,373	-	-	65,373
Residential mortgage-backed agency	-	110	-	110
Corporate and other	-	11,132	-	11,132
Total securities sold not yet purchased	65,373	11,242	-	76,615
Total liabilities	$ 65,373	$ 19,031	$ -	$ 84,404

(a) Includes $6.2 million qualified securities designated for the exclusive benefit of customers (See Note 7).

The following table presents information about the Company's financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2014:

(in thousands) **Level 3 - Instruments Only**	**Reconciliation of Level 3 Fair Value Financial Instruments Owned at Fair Value**
Balance at beginning of year	$ 2,318
Total gains or losses (realized/unrealized)	
Included in earnings	2,152
Settlements	(2,525)
Balance at end of year	$ 1,945

The following represents additional fair value information related to financial instruments:

December 31, 2014

(In thousands)	CARRYING AMOUNT	FAIR VALUE	Level 1	Level 2	Level 3
Assets					
Cash and due from bank (a)	$12,525	$ 12,525	$ 12,525	$ -	$ -
Short-term assets	83,553	83,553	-	83,553	-
Money market mutual fund	18,000	18,000	18,000	-	-
Trading securities (b)	908,181	908,181	20,396	887,785	-
Financial derivatives					
Not designated as hedging instruments under GAAP	5,182	5,182	-	3,237	1,945
Total Assets	$ 1,027,441	$ 1,027,441	$ 50,921	$ 974,575	$ 1,945
Liabilities					
Borrowed funds	$ 658,539	$ 658,539	$ 65,373	$ 593,166	$ -
Financial derivatives					
Not designated as hedging instruments under GAAP	7,789	7,789	-	7,789	-
Total Liabilities	$ 666,328	$ 666,328	$ 65,373	$ 600,955	$ -

(a) Includes $5,000 in restricted cash for the exclusive benefit of customers (See Note 7)
(b) Includes $6.2 million qualified securities designated for the exclusive benefit of customers (See Note 7)

During 2014, there were no transfers of assets or liabilities between Levels 1 and 2.

The aggregate fair values in the table above do not represent the total market value of PNCCM's assets and liabilities as the table excludes the following:
• real and personal property,
• other assets and reserves,
• other accrued expenses, and
• other general liabilities.

We used the following methods and assumptions to estimate fair value amounts for financial instruments.

General
For short-term financial instruments realizable in three months or less, the carrying amount reported on our Balance Sheet approximates fair value. Unless otherwise stated, the rates used in discounted cash flow analyses are based on market yield curves.

Cash and cash equivalents
The carrying amounts reported on our Statement of Financial Condition for cash and cash equivalents approximate fair values. For purposes of this disclosure only, cash and cash equivalents includes the following:
• cash on deposit with PNC Bank N.A.,
• segregated deposit with PNC Bank N.A., and
• money market mutual fund investment with an affiliate.

Cash and due from banks are classified as Level 1.

Short-Term Assets
The carrying amounts reported on our Balance Sheet for short-term investments approximate fair values primarily due to their short-term nature. For purposes of this disclosure only, short-term assets include the following:
• resale agreements,
• cash collateral at Fixed Income Clearing Corporation,
• interest rate swap collateral to affiliate, and
• accrued interest receivable

Short-term assets are classified as Level 2.

Trading Securities
For trading securities, we primarily use prices obtained from pricing services, dealer quotes or recent trades to determine the fair value of securities. As of December 31, 2014, all of the positions in these portfolios were priced by or validated against pricing data provided by third-party vendors. The third-party vendors use a variety of methods when pricing securities that incorporate relevant market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions. One of the vendor's prices are set with reference to market activity for highly liquid assets, such as U.S. Treasury and agency securities and agency mortgage-backed securities, and matrix pricing for other asset classes, such as commercial mortgage and other asset-backed securities. Another vendor primarily uses pricing models considering adjustments for ratings, spreads, matrix pricing and prepayments for the instruments we value using this service, such as non-agency residential mortgage-backed securities, agency adjustable rate mortgage securities, agency CMOs, commercial mortgage-backed securities, and municipal bonds. Management uses various methods and techniques to validate prices, including reference to third-party sources, by reviewing valuations of comparable instruments, or by comparison to internal valuations.

Borrowed Funds
The carrying amounts of repurchase agreements, trading securities sold short, short-term borrowings, and accrued interest payable are considered to be their fair value because of their short-term nature. For all other borrowed funds, fair values are estimated using either prices obtained from third-party vendors or an internally developed discounted cash flow approach taking into consideration our current incremental borrowing rates for similar instruments.

Financial Derivatives
The majority of derivatives that we enter into are executed over-the-counter and are valued using internal models. These derivatives are classified as Level 2 as the readily observable market inputs to these models are validated to external sources. The external sources for these inputs include industry pricing services, or are corroborated through recent trades, dealer quotes, yield curves, implied volatility or other market-related data. Level 2 financial derivatives are primarily estimated using a combination of Eurodollar future prices and observable benchmark interest rate swaps to construct projected discounted cash flows. A forward settling security classified as a derivative with significant unobservable inputs pertaining to liquidity risk was classified as Level 3. The significant unobservable inputs used to estimate the fair value of these securities include an estimate of discount for liquidity risk.

13. Financial Instruments With Market and Credit Risk

The Company enters into various transactions involving financial instruments with market and credit risk, including securities sold not yet purchased and securities purchased and sold on a when-issued basis. These financial instruments are used to meet the needs of customers and conduct related hedging activities, and are subject to varying degrees of market and credit risk.

The obligation for securities sold not yet purchased represents a commitment to deliver specified securities. The Company will acquire the required securities at prevailing future market prices to satisfy this obligation. Accordingly, the Company's ultimate obligation may exceed the amount recognized in the financial statements. Exposure to market risk is managed by the Company through position limits and other controls.

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These transactions may expose the Company to market and credit risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

14. Litigation

The Company establishes accruals for legal proceedings, including litigation, arbitrations, and regulatory and governmental investigations and inquiries, when information related to the loss contingencies represented by those matters indicates both that a loss is probable and that the amount of loss can be reasonably estimated. Any such accruals are adjusted thereafter as appropriate to reflect changed circumstances. When we are able to do so, we also determine estimates of possible losses or ranges of possible losses, whether in excess of any related accrued liability or where there is no accrued liability, for disclosed legal proceedings (the "Disclosed Matter," which is the matter disclosed in this Note). For the Disclosed Matter, as of December 31, 2014, we estimate that it is reasonably possible that the Company could incur losses in an aggregate amount of up to approximately $3.8 million. The estimates included in this amount are based on our analysis of currently available information and are subject to significant judgment and a variety of assumptions and uncertainties. As new information is obtained we may change our estimates.

Due to the inherent subjectivity of the assessments and unpredictability of outcomes of legal proceedings, any amounts accrued or included in this aggregate amount may not represent the ultimate loss to us from the legal proceedings in question. Thus, our exposure and ultimate losses may be higher, and possibly significantly so, than the amounts accrued or this aggregate amount. The estimated aggregate amount also does not reflect any of our exposure to matters not disclosed.

In our experience, legal proceedings are inherently unpredictable. In many legal proceedings, various factors exacerbate this inherent unpredictability, including, among others, one or more of the following: the proceeding is in its early stages; the damages sought are unspecified, unsupported or uncertain; it is unclear whether a case brought as a class action will be allowed to proceed on that basis or, if permitted to proceed as a class action, how the class will be defined; the plaintiff is seeking relief other than or in addition to compensatory damages; the matter presents meaningful legal uncertainties, including novel issues of law; we have not engaged in meaningful settlement discussions; discovery has not started or is not complete; there are significant facts in dispute; and there are a large number of parties named as defendants (including where it is uncertain how liability, if any, will be shared among multiple defendants). As a result, we may not always be able to estimate possible losses or ranges of possible losses for every matter that we disclose.

We include in the description of the Disclosed Matter certain quantitative information related to the plaintiff's claim against us alleged in the plaintiff's pleadings or otherwise publicly available. While information of this type may provide insight into the potential magnitude of a matter, it does not necessarily represent our estimate of reasonably possible loss or our judgment as to any currently appropriate accrual.

In 2009, Fulton Financial Advisors, N.A. filed a lawsuit against the Company in the Court of Common Pleas of Lancaster County, Pennsylvania arising out of Fulton's purchase of auction rate certificates (ARCs) through the Company (Fulton Financial Advisors, N.A. v. PNC Capital Markets LLC (CI 09-10838). Fulton also filed an analogous lawsuit against NatCity Investments, Inc. an affiliate of the Company. The lawsuit alleges violations of the Pennsylvania Securities Act, negligent misrepresentation, negligence, breach of fiduciary duty, common law fraud, and aiding and abetting common law fraud in connection with the purchase of the ARCs by Fulton. Specifically, Fulton alleges that, as a result of the decline of financial markets in 2007 and 2008, the market for ARCs became illiquid; that the Company knew or should have known of the increasing threat of the ARC market becoming illiquid; and that the Company did not inform Fulton of this increasing threat, but allowed Fulton to continue to purchase ARCs, to Fulton's detriment. In its complaints, Fulton alleges that it then held ARCs purchased through the Company for a price of more than $123 million. In its complaint, Fulton seeks, among other things, unspecified actual and punitive damages, rescission, attorneys' fees and interest.

The Company filed preliminary objections to Fulton's complaint, which were denied. Fulton filed an amended complaint in December 2013, reasserting its negligence and breach of fiduciary duty claims and adding a new claim under the Pennsylvania Securities Act.

The Company is the subject of investigations, audits and other forms of regulatory and governmental inquiry covering a broad range of issues in our business, in some cases as part of reviews of specified activities at multiple industry participants. Over the last few years, we have experienced an increase in regulatory and governmental investigations, audits and other inquiries. Areas of current regulatory or governmental inquiry with respect to PNC include municipal finance activities. These inquiries may lead to administrative, civil or criminal proceedings, and possibly result in remedies including fines, penalties, restitution, alterations in our business practices, and in additional expenses and collateral costs.

In addition to the matter described above, the Company and persons to whom we may have indemnification obligations, in the normal course of business, are subject to various other pending and threatened legal proceedings in which claims for monetary damages and other relief are asserted. We do not anticipate, at the present time, that the ultimate aggregate liability, if any, arising out of such other legal proceedings will have a material adverse effect on our financial position. However, we cannot now determine whether or not any claims asserted against us or others to whom we may have indemnification obligations, whether in the matter described above or otherwise, will have a material adverse effect on our results of operations in any future reporting period, which will depend on, among other things, the amount of the loss resulting from the claim and the amount of income otherwise reported for the reporting period.

15. Commitments and Contingencies

The Company leases various types of equipment under noncancelable leases with remaining terms of less than four years with certain renewal options for like terms. At December 31, 2014, future minimum rentals under these lease agreements aggregated to approximately $2.3 million. Minimum rentals for the years 2015 and 2016 are approximately $1.6 million and $733,000, respectively. There are no rental commitments after 2016.

The Company provides indemnification in connection with securities offering transactions in which it is involved. When the Company is an underwriter or placement agent, it provides a limited indemnification to the issuer related to its actions in connection with the offering and, if there are other underwriters, indemnification to the other underwriters intended to result in an appropriate sharing of the risk of participating in the offering. However, the potential requirement for the Company to make payments under these arrangements is remote. Accordingly, no liability has been recognized for these transactions.

In the normal course of business, the Company enters into underwriting and when-issued commitments. The Company had no other contractual commitments at December 31, 2014.

In accordance with industry practice, the Company generally settles transactions executed on behalf of its customers within three business days after the trade date. The risk of loss on unsettled transactions relates to the customers' or brokers' inability to meet the terms of their contracts. Settlement of these transactions did not have a material effect on the Company's financial statements in 2014.

16. Subsequent Events

The Company has conducted a review for any additional significant subsequent events through February 27, 2015, that would require additional disclosures. During the Company's review, it was determined that no additional significant subsequent events have occurred that would require additional disclosures in these notes to the financial statements at December 31, 2014.

PNC Capital Markets LLC

Statement of Financial Condition
Pursuant to Rule 17a-5 Under the Securities Exchange Act of 1934
December 31, 2013

This report is deemed CONFIDENTIAL in accordance with Rule 17a-5(e)(3) under the Securities Exchange Act of 1934. A statement of financial condition and supplemental report on internal control, bound separately, has been filed with the Securities and Exchange Commission simultaneously herewith as a PUBLIC document.

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Independent Auditor's Report

To the Member and Board of Managers of
PNC Capital Markets LLC:

We have audited the accompanying statement of financial condition of PNC Capital Markets LLC (the "Company"), as of December 31, 2013.

Management's Responsibility for the Statement of Financial Condition

Management is responsible for the preparation and fair presentation of the statement of financial condition in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement of financial condition that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the statement of financial condition based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of financial condition. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the statement of financial condition, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the statement of financial condition in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement of financial condition. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of the Company as of December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

[redacted]

February 28, 2014

PNC Capital Markets LLC
Statement of Financial Condition
December 31, 2013

(in thousands)

Assets	
Cash and cash equivalents	$13,073
Cash and securities segregated under Federal and other regulations	5,978
Receivables from brokers, dealers and others	55,514
Receivables from customers	7,001
Other receivables (net of reserves of $38)	6,013
Securities owned - at fair value ($458 million pledged)	
U.S. agency and other mortgage backed securities	453,511
State and municipal	311,391
Corporate debt	5,987
U.S. government (see Note 7 for segregated securities)	3,577
Securities purchased under resell agreements	60,747
Deferred tax asset	4,025
Other assets	9,618
Total assets	$936,435
Liabilities and Member's Equity	
Liabilities	
Short-term borrowings	$171,000
Repurchase agreements	257,062
Securities sold not yet purchased - at fair value	
U.S. government and agencies	61,375
Other debt securities	245
Deferred revenue	8,829
Payable to brokers, dealers and others	1,324
Accrued salaries and benefits	50,898
Accrued tax liability	850
Other liabilities	5,438
Total liabilities	$557,021
Member's equity	$379,414
Total liabilities and member's equity	$936,435

The accompanying notes are an integral part of the Statement of Financial Condition.

1. Organization

PNC Capital Markets, LLC ("PNCCM" or the "Company") is a wholly owned subsidiary of PNC Holding LLC (the "Parent"), which is a wholly owned subsidiary of The PNC Financial Services Group, Inc. ("PNC"). PNCCM is registered as a securities broker and dealer pursuant to the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority.

The Company underwrites, deals and trades in corporate debt and state and municipal obligations. The Company also trades in U.S. government and agency securities, mortgage-backed securities, asset-backed securities, commercial paper, and money market instruments. In addition, the Company acts as an agent for affiliates of PNC and others in certain securities transactions and provides corporate finance services, including arranging loan syndications for PNC customers.

2. Significant Accounting Policies

Basis of Financial Statement Presentation
The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

We prepared these financial statements and assumptions that affect the amounts reported. Our most significant estimates pertain to our fair value measurements, reserve on receivables, and litigation reserves. Actual results may differ from the estimates and the differences may be material to the financial statements.

The Company has evaluated the materiality of identified errors from prior periods in the financial statements using both an income statement and a balance sheet approach. We also consider the impact of subsequent events.

Cash and Cash Equivalents
Cash and cash equivalents, which include money market funds, are highly liquid investments that are readily convertible to cash and have original maturities of less than 30 days.

Cash and securities segregated under Federal and other regulations
Cash and securities segregated under Federal and other regulations represent cash and securities held in Special Reserve Accounts for the Exclusive Benefit of Customers. These cannot be used in the ordinary operations of the business. This line item also includes segregated cash the company has as collateral received from PNC Bank, N.A., an affiliate and wholly owned subsidiary of PNC, for interest rate swap agreements.

Reserve on Receivables
The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Company's estimate is based on historical collection experience and a review of the current status of the receivables.

Securities Transactions
Securities transactions are recorded on a trade date basis. Securities are considered trading assets and are marked to fair value.

In the normal course of business, the Company purchases securities under agreements to resell on terms which permit it to repledge or resell the securities to others. At December 31, 2013, the Company had obtained securities under resale agreements with a fair value of approximately $60.7 million, substantially all of which have been either pledged or otherwise transferred to others in connection with the Company's financing activities or to satisfy its commitments under short sales.

In the normal course of business, securities owned by the Company may be pledged to others to collateralize the Company's financing activities. At December 31, 2013, the Company pledged $194.0 million of securities owned to PNC Bank N.A. as collateral for short-term borrowing of $171.0 million. The short-term borrowing was repaid on January 2, 2014.

Securities Valuation
U.S. government and agency, state and municipal, corporate debt, futures contracts, financial derivatives and securities sold, not yet purchased are stated at fair value. Sales of securities not yet purchased represent obligations of the Company to deliver specified securities at a predetermined date and price. The Company is obligated to acquire the specified securities at prevailing market prices in the future to satisfy such obligations.

Many of the Company's assets and liabilities are financial in nature and, therefore, the Company tends to be sensitive to interest rate and other market movements. Disruptions in the liquidity or changes in other factors affecting the financial markets could materially impact our performance and the valuation of certain assets and liabilities.

Resale and Repurchase Agreements
Securities purchased under agreements to resell and securities sold under agreements to repurchase are collateralized by U.S. government and agency obligations and corporate bonds and are carried at amounts at which they will be subsequently resold or repurchased. Interest is accrued on resale and repurchase contract amounts.

It is the policy of the Company to take possession of securities purchased under agreements to resell. Collateral is valued daily and additional collateral is obtained from counterparties when appropriate. The counterparty on all resale agreements at December 31, 2013, was PNC Bank, N.A. These resale agreements were fully collateralized at December 31, 2013.

Depreciation and Amortization
Premises and equipment are depreciated over their estimated useful lives using the straight-line method, based on the following schedule:

Asset	Estimated Useful Lives (in years)
Furniture and equipment	7
Personal computers	5
Computer software	5
Internally developed software	1-5

Leasehold improvements are amortized over the shorter of the term of the lease or estimated useful lives using the straight-line method.

Income Taxes
The Company uses the asset and liability method to account for deferred income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of specific assets and liabilities and are measured using the current enacted tax rates.

The Company is included in the consolidated federal income tax return filed by PNC. The Company's federal income tax expense is computed as if the Company files a separate tax return. The Company is a participant in a master tax sharing policy with PNC. Under this policy, PNC subsidiaries with taxable income record taxes based on the relationship of the Company's federal tax liability computed on a separate company basis, to the federal tax liability of the consolidated group. Subsidiaries with a tax loss receive an allocated benefit from the consolidated group based upon the reduction in taxes otherwise payable by the group.

PNC assumes all state income tax liabilities on behalf of the Company; therefore, any state income tax expense/benefit is settled as a capital adjustment.

Deferred Revenue
Deferred revenue represents funds received for transactions entered into which have not closed or funds received in advance for services performed on an annual basis. Revenue on these items is recognized as the transactions close or pro rata as the services are performed.

Fair Value
The fair value of financial instruments and the methods and assumptions used in estimating fair value amounts are detailed in Note 12, Fair Value.

Recently Adopted Accounting Pronouncements
In December 2011, the FASB issued ASU 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities* and then amended the scope of ASU 2011-11 in January 2013 through the issuance of ASU 2013-01, *Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities.* These ASUs apply to all entities that have derivative instruments, repurchase agreements and reverse repurchase agreements, or securities lending agreements that are (i) offset in accordance with ASC 210-20-45 or ASC 815-10-45 or

(ii) subject to an enforceable master netting arrangement or similar agreement, and requires an entity to disclose information about offsetting to enable users of its financial statements to understand the effect of those arrangements on its financial position. The disclosures are required for reporting periods beginning on or after January 1, 2013 and are to be applied retrospectively for all comparative periods presented. The Company adopted these ASUs on January 1, 2013 for our derivatives and for our repurchase/resale arrangements under enforceable master netting arrangements, which we do not currently offset on our Statement of Financial Condition. These ASUs did not change the accounting for these arrangements or require them to be offset and thus had no impact on our statement of financial position. The disclosures related to our derivatives are included in Note 4, Financial Derivatives, and our disclosures related to our repurchase and resell arrangements are included in Note 5, Repurchase and Resale Agreements.

3. Futures Contracts

Futures contracts represent commitments to purchase or sell securities at a specified date and price. These transactions are utilized by the Company to economically hedge against risk positions associated with customer related trading activities. These transactions are subject to market risk, which arises from the inherent fluctuations in the market value of the underlying security to be delivered, and to credit risk, which results from the possibility that a counterparty may be unable to meet the terms of a contract in which the Company has a gain position. The Company's exposure to these risks is limited as these transactions are executed on organized exchanges. Organized exchanges approve counterparties and require security deposits which reduce credit risk. At December 31, 2013, the Company had gross notional futures contract commitments to sell U.S. government obligations and Eurodollar obligations of $37.5 million and $800 million, respectively. The unrealized gain on these instruments at December 31, 2013 was approximately $122,000 and is reflected net of cash paid as a component of other assets.

4. Financial Derivatives

The Company enters into interest rate swap agreements with PNC Bank N.A. to manage interest rate risk. The total gross notional amount on the interest rate swap agreements outstanding at December 31, 2013 was approximately $99.9 million. The unrealized gain and unrealized loss on these instruments at December 31, 2013, was approximately $468,000 and $197,000, respectively, which is included in other assets and other liabilities respectively, on the Statement of Financial Condition. The Company has $300,000 in cash collateral payable to PNC Bank, N.A. related to those instruments at December 31, 2013.

The Company also utilizes forward contracts in the form of TBA ("To Be Announced") securities to invest in and hedge mortgage-backed instruments. The total gross notional amount on the forward contracts at December 31, 2013 was approximately $1.5 billion. The unrealized gain and loss on these instruments at December 31, 2013 was approximately $4.2 million and $3.0 million, respectively. The unrealized gains and losses are included in other assets and other liabilities, respectively, on the Statement of Financial Condition.

We do not utilize a net presentation on the Statement of Financial Condition for those derivative financial instruments entered into with counterparties under legally enforceable master netting agreements. The master netting agreements reduce credit risk by permitting the closeout netting of various types of derivative instruments with the same counterparty upon the occurrence of an event of default. The master netting agreement also may require the exchange of cash or marketable securities to collateralize either party's net position. In certain cases, minimum thresholds must be exceeded before any collateral is exchanged. Collateral is typically exchanged daily based on the net fair value of the positions with the counterparty as of the preceding day.

However, the fair value of any securities held or pledged is not included in the net presentation on the Statement of Financial Condition. The following table shows the impact of legally enforceable master netting agreements on our derivative assets and derivative liabilities positions as of December 31, 2013. The table also includes the fair value of any securities collateral held or pledged under these agreements. Cash and securities collateral amounts are included in the table only to the extent of the related net derivative fair values.

Further discussion on ASU 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities and the impact of other instruments entered into under master netting arrangements is included in Note 2 under Recent Accounting Pronouncements. Refer to Note 5 Repurchase and Resale Agreements for additional information related to resale and repurchase agreements offsetting.

Derivative Assets and Liabilities Offsetting

December 31, 2013 In thousands	Gross Fair Value Derivative Assets	Amounts Offset Under Master Netting Agreements: Fair Value Offset Amount	Amounts Offset Under Master Netting Agreements: Cash Collateral	Net Fair Value Derivative Assets	Securities Collateral Held Under Master Netting Agreements	Net Amounts
Derivative assets						
Interest rate contracts	$ 468	$ -	$ -	$468	$300	$168
TBA contracts	4,192			4,192	1,709 (a)	2,483
Total derivative assets	$ 4,660	$ -	$ -	$4,660	$2,009	$2,651

December 31, 2013 In millions	Gross Fair Value Derivative Liabilities	Amounts Offset Under Master Netting Agreements: Fair Value Offset Amount	Amounts Offset Under Master Netting Agreements: Cash Collateral	Net Fair Value Derivative Liabilities	Securities Collateral Pledged Under Master Netting Agreements	Net Amounts
Derivative liabilities						
Interest rate contracts	$ 197	$ -	$ -	$197	$ -	$197
TBA contracts	2,985			2,985		2,985
Total derivative liabilities	$ 3,182	$ -	$ -	$3,182	$ -	$3,182

(a) Represents cash collateral for TBA contracts which is included in other assets on the Statement of Financial Condition.

In addition to using master netting arrangements and related collateral agreements to reduce credit risk associated with derivative instruments, we also seek to minimize credit risk by entering into transactions with counterparties with high credit ratings and by using internal credit approvals, limits, and monitoring procedures. Collateral may also be exchanged under certain derivative agreements that are not considered master netting agreements.

Any nonperformance risk, including credit risk, is included in the determination of the estimated net fair value of the derivatives.

5. Repurchase and Resale Agreements

As discussed in Note 2 the Company enters into repurchase and resale agreements where we transfer investment securities to/from PNC Bank, N.A., a related party, with the agreement to repurchase/resell those investment securities at a future date for a specified price. Repurchase and resale agreements are treated as collateralized financing transactions for accounting purposes and are generally carried at the amounts at which the securities will be subsequently reacquired or resold, including accrued interest. Repurchase and resale agreements are typically entered into with counterparties under master netting agreements which provide for the right to set off amounts owed one another and liquidate the purchased or borrowed securities in the event of counterparty default. Our policy is to take possession of securities purchased under agreements to resell. We monitor the market value of securities to be repurchased and resold and additional collateral may be obtained where considered appropriate to protect against credit exposure.

In accordance with the disclosure requirements of ASU 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities*, the table below shows the amounts owed under resale and repurchase agreements. Refer to Note 12 Fair Value of Financial Instruments for additional information regarding the resale agreements. We do not present any repurchase and resale agreements entered into with the same counterparty under a master netting agreement on a net basis on our Statement of Financial Condition.

Further discussion on ASU 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities* and the impact of other instruments entered into under master netting arrangements is included in Note 2 under Recent Accounting Pronouncements. Refer to Note 4 Financial Derivatives for additional information related to offsetting of financial derivatives.

Resale and Repurchase Agreements Offsetting

In thousands	Gross Resale and Repurchase Agreements	Amounts Offset Under Master Netting Agreements	Net Resale and Repurchase Agreements	Securities Collateral Held Under Master Netting Agreements (a)	Net Amounts
December 31, 2013					
Resale Agreements	$ 60,747	$ -	$ 60,747	$ 60,705	$ 42
Repurchase Agreements	257,066 (b)	-	257,066	257,066	-

(a) In accordance with the requirements of ASU 2011-11, represents the fair value of securities collateral purchased or sold, up to the amount owed under the agreement, for agreements supported by a legally enforceable master netting agreement.

(b) Represents the repurchase agreement amount included in repurchase agreements on our Statement of Financial Condition and the related accrued interest expense in the amount of $4 thousand at December 31, 2013, which is included in Other Liabilities on the Statement of Financial Condition.

6. Receivables From and Payables to Brokers, Dealers, and Others

Receivables from and payables to brokers, dealers, and others recorded at cost arise from the settlement of securities transactions and consist of the following at December 31, 2013:

(in thousands)	Receivables	Payables
Net trade date receivable	$ 38,804	$ -
Fails to deliver/receive	204	1,029
Other amounts due from/to brokers and dealers	16,506	295
	$ 55,514	$ 1,324

7. Regulatory Requirements

The Company, as a registered broker/dealer, is subject to the Securities and Exchange Commission Uniform Net Capital Rule ("SEC Rule 15c3-1"), which requires the maintenance of minimum net capital. The Company computes net capital under the alternative method. Under this method, required capital is the greater of $250,000 or 2 percent of aggregate debit items computed in accordance with the Formula for Determination of Reserve Requirements for Brokers and Dealers. At December 31, 2013, the Company had net capital of approximately $288.8 million, which was approximately $289.0 million in excess of its required net capital of $250,000.

In accordance with Company policy, the Company paid dividends of $175 million in 2013. The Company also complied with applicable regulatory notification requirements for these dividends.

Additionally, the Company maintains cash and qualified securities owned for the exclusive benefit of customers in accordance with SEC Rule 15c3-3. At December 31, 2013, qualified securities designated for the exclusive benefit of customers totaled approximately $5.9 million. In addition, the Company maintained $10,000 in cash for the exclusive benefit of customers. These balances are included in cash and securities segregated under Federal and other regulations on the statement of financial condition.

The Company operates in a highly regulated industry. Applicable laws and regulations restrict permissible activities and investments and require compliance with various financial and customer-related protection standards. The consequences of noncompliance can include substantial monetary and nonmonetary sanctions. In addition, the Company is subject to comprehensive examination and supervision by various governmental and self-regulatory agencies. These regulatory agencies generally have broad discretion to impose restrictions and limitations on the operations of a regulated entity where the agencies determine, among other things, that such operations are unsafe or unsound, fail to comply with applicable law or are otherwise inconsistent with the laws and regulations or with the supervisory policies of these agencies.

8. Income Taxes

Significant components of the Company's net deferred tax asset as of December 31, 2013, are as follows:

(in thousands)	**Federal**
Employee benefits	$3,376
Deferred compensation	4,298
Deferred revenue	(3,134)
Other tax liabilities	(515)
Net deferred tax asset	$4,025

At year end, the Company did not have any amounts relating to uncertain tax benefits.

Examinations are substantially completed for PNC's consolidated federal income tax returns for 2007 and 2008 and there are no outstanding unresolved issues. The Internal Revenue Service (IRS) is currently examining PNC's 2009-2010 returns.

9. Related-party Transactions

Cash and cash equivalents and cash segregated securities under Federal and other regulations include cash on deposit with PNC Bank N.A. of approximately $13.1 million. Included in the cash and cash equivalents line item is $1.7 million of segregated cash. The company also has a liability of $300,000 to PNC Bank, N.A. related to an intercompany margin requirement.

Short-term funding is provided by an affiliate, PNC Funding Corp. ("PNC Funding"), through a $500 million and a $100 million subordinated lines of credit. The lines of credit bear interest at the approximate interest rate equal to PNC Funding's fully loaded blended long-term debt rate. At December 31, 2013, the Company had no outstanding balance under the lines of credit. Borrowings under these lines of credit do not qualify as regulatory net capital.

Overnight funding is provided by PNC Bank, N.A., through a $2.3 billion line of credit bearing interest at the Effective Federal Funds Rate plus 100 basis points. At December 31, 2013, the Company had borrowings of $171.0 million under this line of credit that were repaid on January 2, 2014.

The Company performs financial advisory services for third party clients of PNC Bank, N.A.

The Company provides fee based services to PNC Mortgage, an affiliate.

The Company pays monthly fees to PNC and PNC Bank, N.A. for occupancy, overhead and administrative services.

The Company also provides Retail Trading Desk services to PNC Investments LLC, an affiliate.

During the normal course of business, the Company may execute transactions with PNC Bank, N.A. to purchase securities under agreement to resell or sell securities under agreement to repurchase from an affiliate. In addition, the Company may also provide or receive various other advisory, referral, or administrative services to or from PNC affiliated entities. Related-party balances or transactions not discussed elsewhere as of and for the year ended December 31, 2013, are listed in the following table:

(in thousands)	
Assets	
Securities purchased under agreements to resell	$60,747
Other receivables	495
Liabilities	
Securities sold under agreements to repurchase	$257,062
Other liabilities	216

The Company participates in the PNC single employer pension plan as described in Note 10. The Company had a payable due to PNC for its required contribution of $9.4 million at December 31, 2013, which is reflected in accrued salary and benefits on the Statement of Financial Condition. The Company had a payable due to PNC for post retirement benefits of $0.1 million which is reflected in accrued salary and benefits on the Statement of Financial Condition.

10. Employee Benefit Plans

The Company's employees participate, to the extent they meet minimum eligibility requirements, in various benefit plans sponsored by PNC. PNC sponsors a noncontributory, qualified defined benefit pension plan (The PNC Financial Services Group, Inc. Pension Plan, EIN #251435979 (the "PNC defined benefit pension plan")), which covers substantially all of the Company's employees. Benefits are determined using a cash balance formula where earnings credits are a percentage of eligible compensation. Earnings credit percentages for plan participants on December 31, 2009 are frozen at their level earned to that point. Earnings credits for all employees who become participants on or after January 1, 2010 are a flat 3% of eligible compensation. Participants at December 31, 2009 earn interest based on 30-year Treasury securities with a minimum rate, while new participants on or after January 1, 2010 are not subject to the minimum rate. Pension expense is allocated by PNC to the Company based upon an actuarially determined required contribution which includes service and interest costs related to participants of the Company. The Form 5500 for December 31, 2012 has been filed.

PNC also maintains a nonqualified supplemental pension plan and health and welfare plan for certain employees. The nonqualified plans are unfunded at December 31, 2013.

PNC provides certain health care and life insurance benefits for retired employees (the "Postretirement Benefits") through various plans. PNC reserves the right to terminate plans or make plan changes at any time. Postretirement Benefits expense is allocated by PNC to the Company based upon an actuarially determined expense related to participants of the Company. There are no separate plans solely for the employees of the Company.

The PNC defined benefit pension plan and the Postretirement Benefits are accounted for in accordance with the provisions of ASC 715 Compensation – Retirement Benefits. As of December

31, 2013, assets of the PNC qualified defined benefit pension plan were $4.3 billion and the projected benefit obligation was $4.0 billion. The qualified pension plan assets are maintained in a trust, and the qualified pension plan benefit payments are paid from the trust. PNC and the Company were not required to nor did they make cash contributions to the pension plan during 2013. PNC and the Company's required pension plans cash contribution for 2014 is expected to be zero based on the funding calculations under the Pension Protection Act of 2006.

The Company's employees participate in PNC's Incentive Savings Plan (the "ISP"). Under the ISP, employee contributions of up to 4% of biweekly compensation, as defined in the ISP and subject to the Internal Revenue Code limitations, are matched by the Company.

11. Stock Based Compensation Plans

PNC has long-term incentive award plans (Incentive Plans) that provide for the granting of incentive stock options, nonqualified stock options, stock appreciation rights, incentive shares/performance units, restricted stock, restricted share units, other share-based awards and dollar-denominated awards to executives. Certain Incentive Plan awards may be paid in stock, cash or a combination of stock and cash. PNC typically grants a substantial portion of its stock-based compensation awards during the first quarter of the year. As of December 31, 2013, no stock appreciation rights were outstanding.

Shares of PNC common stock available during the next year for the granting of options and other awards under the PNC Incentive Plans were 24,535,159 at December 31, 2013. Total shares of PNC common stock authorized for future issuance under PNC equity compensation plans totaled 25,712,719 shares at December 31, 2013, which includes shares available for issuance under the PNC Incentive Plans and the PNC Employee Stock Purchase Plan (ESPP) as described below.

Certain employees of the Company receive options and awards under the PNC Incentive Plans. Grants of stock options and restricted stock units were made in the form of a capital contribution by PNC to the Company.

Nonqualified Stock Options
Options are granted at exercise prices not less than the market value of common stock on the grant date. Generally, options become exercisable in installments after the grant date. No option may be exercisable after 10 years from its grant date. Payment of the option exercise price may be in cash or by surrendering shares of PNC common stock at market value on the exercise date. The exercise price may also be paid by using previously owned shares.

Option Pricing Assumptions
For purposes of computing stock option expense, PNC estimates the fair value of stock options at the grant date by using the Black-Scholes option-pricing model. Option pricing models require the use of numerous assumptions, many of which are subjective.

PNC used the following assumptions in the Black-Scholes option-pricing model to determine 2013 grant date fair value:

- The risk-free interest rate is based on the US Treasury yield curve,
- The dividend yield typically represents average yields over the previous three-year period, however starting with the grants made after the first quarter of 2009, we used a yield indicative of our current dividend rate,

- Volatility is measured using the fluctuation in month-end closing stock prices over a period which corresponds with the average expected option life, but in no case less than a five-year period, and
- The expected life assumption represents the period of time that options granted are expected to be outstanding and is based on a weighted-average of historical option activity.

Option Pricing Assumptions

Weighted-average for the year ended December 31		2013
Risk-free interest rate		.9 %
Dividend yield		2.5
Volatility		34.0
Expected life		6.5 yrs.
Grant date fair value	$	16.35

There were no options granted in 2013 where the grant date fair value exceeded the market value.

The following tables and related information summarize the various stock option and award activity for employees of the Company for 2013.

Stock Option Rollforward Table

						Options Converted From National City				Total					
Year ended December 31, 2013	Shares		Weighted-Average Exercise Price	Shares		Weighted-Average Exercise Price	Shares		Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life		Aggregate Intrinsic Value (in thousands)
Outstanding, January 1	288,347	$	57.22	2,845	$	620.66	291,192	$	62.72			
Granted												
Exercised	(85,267)		53.11				(85,267)		53.11			
Cancelled				(599)		844.16	(599)		844.16			
Outstanding, December 31	203,080	$	58.94	2,246	$	561.05	205,326	$	64.43	4.8 years	$	3,785
Vested and expected to vest, December 31 (a)	203,051	$	58.94	2,246	$	561.05	205,297	$	64.43	4.8 years	$	3,785
Exercisable, December 31	194,411	$	58.76	2,246	$	561.05	196,657	$	64.50	4.7 years	$	3,659

(a) Adjusted for estimated forfeitures on unvested options.

To determine stock-based compensation expense, the grant-date fair value is applied to the options granted with a reduction for estimated forfeitures. The Company recognizes compensation expense for stock options on a straight-line basis over the specified vesting period.

The total intrinsic value of options exercised during 2013, was $1.7 million. Cash received from option exercises under all Incentive Plans for 2013 was approximately $4.5 million.

During 2013, the Company's employees exercised 85,267 stock options with all related shares issued by PNC from treasury shares of PNC common stock

Incentive/Performance Unit Share Awards and Restricted Stock/Unit Awards
The fair value of nonvested incentive/performance unit share awards and restricted stock/unit awards is initially determined based on prices not less than the market value of PNC's common stock price on the date of grant. The value of certain incentive/performance unit share awards is subsequently remeasured based on the achievement of one or more financial and other performance goals generally over a three-year period. The Personnel and Compensation Committee ("P&CC") of the Board of Directors approves the final award payout with respect to incentive/performance unit share awards. Restricted stock/share unit awards have various vesting periods generally ranging from 3 years to 5 years.

Beginning in 2013, PNC incorporated several enhanced risk-related performance changes to certain long-term incentive compensation programs. In addition to achieving certain financial performance metrics on both a PNC absolute basis and relative to PNC's peers, final payout amounts will be subject to reduction if PNC fails to meet certain risk-related performance metrics as specified in the award agreement. However, the P&CC has the discretion to waive any or all of this reduction under certain circumstances. These awards have either a three-year or a four-year performance period and are payable in either stock or a combination of stock and cash.

Additionally, performance-based restricted share units were granted in 2013 to certain of the Company's executives as part of annual bonus deferral criteria. These units, payable solely in stock, vest ratably over a four-year period and contain the same risk-related discretionary criteria noted in the preceding paragraph.

The weighted-average grant-date fair value of incentive/performance unit share awards and restricted stock/unit awards granted in 2013 was $64.06 per share. The Company recognizes compensation expense for such awards ratably over the corresponding vesting and/or performance periods for each type of program.

Nonvested Incentive/Performance Unit Share Awards and Restricted Stock/Unit Awards – Rollforward

	Nonvested Incentive/ Performance Unit Shares	Weighted-Average Grant Date Fair Value	Nonvested Restricted Stock/ Share Units	Weighted-Average Grant Date Fair Value
December 31, 2012	26,525	$ 60.94	87,251	$ 60.39
Granted	54,525	$ 63.87	36,560	$ 64.36
Vested/Released	(8,305)	$ 57.73	(18,680)	$ 54.25
Forfeited	(274)	$ 53.78	(1,600)	$ 62.77
December 31, 2013	72,471	$ 63.54	103,531	$ 62.86

In the preceding table, the unit shares and related weighted-average grant-date fair value of the incentive/performance awards exclude the effect of dividends on the underlying PNC shares, as those dividends will be paid in cash.

The total fair value of incentive/performance unit share and restricted stock/unit awards vested during 2013 was approximately $1.7 million.

Liability Awards

The table below reflects cash-payable restricted share units granted to certain of the Company's executives. These grants were made primarily as part of an annual bonus incentive deferral plan. While there are time-based and other vesting criteria, there are no market or performance criteria associated with these awards. Compensation expense recognized related to these awards was recorded by the Company in prior periods as part of annual cash bonus criteria.

Nonvested Cash-Payable Restricted Share Units – Rollforward

	Nonvested Cash-Payable Restricted Share Units	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2012	129,371	
Granted	49,983	
Vested and Released	(64,667)	
Forfeited	(499)	
Outstanding at December 31, 2013	114,188	$ 8,859

The total of all share-based liability awards paid out during 2013 was approximately $4.1 million.

Employee Stock Purchase Plan

As of December 31, 2013, PNC's ESPP had approximately 1.2 million shares available for issuance. Full-time employees with six months and part-time employees with 12 months of continuous employment with a participating PNC entity, including the Company, are eligible to participate in the ESPP at the commencement of the next six-month offering period. Eligible participants may purchase our common stock at 95% of the fair market value on the last day of each six-month offering period. No charge to earnings is recorded with respect to the ESPP.

During 2013, PNC issued 2,788 shares of its common stock attributable to participants of the Company, at a purchase price of $69.27 per share and $73.70 per share at June 30, 2013, and December 31, 2013, respectively.

12. Fair Value of Financial Instruments

Fair Value Measurement

Fair value is defined in GAAP as the price that would be received to sell an asset or the price that would be paid to transfer a liability on the measurement date. GAAP focuses on the exit price in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. GAAP establishes a fair value reporting hierarchy to maximize the use of observable inputs when measuring fair value and defines the three levels of inputs as noted below.

Level 1 Fair value is determined using a quoted price in an active market for identical assets or liabilities. Level 1 assets and liabilities may include debt securities, equity securities and listed derivative contracts that are traded in an active exchange market and certain U.S. Treasury securities that are actively traded in over-the-counter markets.

Level 2 Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly. Level 2 assets and liabilities may include debt securities, equity securities and listed derivative contracts with quoted prices that are traded in markets that are not active, and certain debt and equity securities and over-the-counter derivative contracts whose fair value is determined using a pricing model without significant unobservable inputs.

Level 3 Fair value is estimated using unobservable inputs that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities may include financial instruments whose value is determined using pricing services, pricing models with internally developed assumptions, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

We characterize active markets as those where transaction volumes are sufficient to provide objective pricing information, with reasonably narrow bid/ask spreads and where dealer quotes received do not vary widely and are based on current information. Inactive markets are typically characterized by low transaction volumes, price quotations that vary substantially among market participants or are not based on current information, wide bid/ask spreads, a significant increase in implied liquidity risk premiums, yields, or performance indicators for observed transactions or quoted prices compared to historical periods, a significant decline or absence of a market for new issuance, or any combination of the above factors. We also consider nonperformance risks including credit risk as part of our valuation methodology for all assets and liabilities measured at fair value.

Securities are classified within the fair value hierarchy after giving consideration to the activity level in the market for the security type and the observability of the inputs used to determine the fair value. When a quoted price in an active market exists for the identical security, this price is used to determine fair value and the security is classified within Level 1 of the hierarchy. Level 1 securities include certain U.S. Treasury securities. When a quoted price in an active market for the identical security is not available, fair value is estimated using either an alternative market approach, such as a recent trade or matrix pricing, or an income approach, such as a discounted cash flow pricing model. If the inputs to the valuation are based primarily on market observable information, then the security is classified within Level 2 of the hierarchy. Level 2 securities include agency debt securities, agency residential mortgage-backed securities, agency and non-agency commercial mortgage-backed securities, municipal securities, and other debt securities. Level 2 securities are predominantly priced by or validated against third parties, either a pricing vendor or dealer.

In certain cases where there is limited activity or less transparency around the inputs to the valuation, securities are classified within Level 3 of the hierarchy. Certain infrequently traded debt securities within the State and Municipal Trading securities category are classified in Level 3. The significant unobservable inputs used to estimate the fair value of these securities include an estimate of expected credit losses and a discount for liquidity risk. These inputs are incorporated into the fair value measurement by either increasing the spread over the benchmark curve or by applying a credit and liquidity discount to the par value of the security. Significant increases (decreases) in credit and/or liquidity risk could result in a significantly lower (higher) fair value estimate. Assets and liabilities measured at fair value on a recurring basis are summarized below.The following table represents assets and liabilities measured at fair value on a recurring basis at December 31, 2013:

(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Assets/ Liabilities Measured at Fair Value**
Assets				
Financial derivatives				
TBA Derivatives	$ -	$4,192	$ -	$4,192
Interest Rate Derivatives	-	468	-	468
Total financial derivatives	-	4,660	-	4,660
Securities owned at fair value				
Debt				
U.S. government and agencies (a)	9,545	7,898	-	17,443
Residential mortgage-backed	-	-	-	-
Agency	-	416,727	-	416,727
Commercial mortgage-backed	-	-	-	-
Agency	-	28,884	-	28,884
Non – Agency	-	2	-	2
State and municipal	-	309,073	2,318	311,391
Corporate debt	-	5,987	-	5,987
Total trading securities	9,545	768,571	2,318	780,434
Total assets	$9,545	$773,231	$2,318	$785,094
Liabilities				
Financial derivatives				
TBA derivatives	$ -	$2,985	$ -	$2,985
Interest rate derivatives	-	197	-	197
Total financial derivatives	-	3,182	-	3,182
Securities sold not yet purchased				
Debt				
U.S. government and agencies	60,461	-	-	60,461
Commercial mortgage-backed	-	-	-	-
Agency	-	914	-	914
State and municipal	-	-	-	-
Corporate stock and other	-	245	-	245
Total securities sold not yet purchased	60,461	1,159	-	61,620
Total liabilities	$60,461	$4,341	$ -	$64,802

(a) Includes $5.9 million qualified securities designated for the exclusive benefit of customers (See Note 7).

The following table presents information about the Company's financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2013:

(in thousands) **Level 3 - Instruments Only**	**Reconciliation of Level 3 Fair Value Securities Owned at Fair Value**
Balance at beginning of year	$ 2,341
Total gains or losses (realized/unrealized)	
Included in earnings	2
Settlements	(25)
Balance at end of year	$ 2,318

Quantitative information about the significant unobservable inputs within Level 3 Recurring Assets and Liabilities at December 31, 2013 follows below:

(in thousands)

Level 3 Instruments Only

	Fair Value	**Valuation Techniques**	**Unobservable Inputs**	**Range (Weighted Average)**
Assets				
Debt trading Securities	$2,318	Consensus Pricing(a)	Credit/Liquidity Discount	8% - 8% (8%)
Total Assets	$2,318			
Liabilities				
Financial Derivatives	$ -			
Total Liabilities	$ -			

(a) Consensus pricing refers to fair value estimates that are generally internally developed using information such as dealer quotes or other third-party provided valuations or comparable asset prices.

The following represents additional fair value information related to financial instruments:

December 31, 2013

(In thousands)	CARRYING AMOUNT	FAIR VALUE	Level 1	Level 2	Level 3
Assets					
Cash and due from bank (a)	$13,083	$13,083	$13,083	$ -	$ -
Short-term assets	64,593	64,593	-	64,593	
Trading securities(b)	780,434	780,434	9,545	768,571	2,318
Financial derivatives					
Not designated as hedging instruments under GAAP	4,660	4,660	-	4,660	-
Total Assets	$862,770	$862,770	$22,628	$837,824	$2,318
Liabilities					
Borrowed funds	$490,048	$490,048	$60,461	$429,587	$ -
Financial derivatives					
Not designated as hedging instruments under GAAP	3,182	3,182	-	3,182	-
Total Liabilities	$493,230	$493,230	$60,461	$432,769	$ -

(a) Includes $10,000 in restricted cash for the exclusive benefit of customers (see Note 7)

(b) Includes $5.9 million qualified securities designated for the exclusive benefit of customers (See Note 7)

During 2013, there were no transfers of assets or liabilities between Levels 1 and 2.

The aggregate fair values in the table above do not represent the total market value of PNCCM's assets and liabilities as the table excludes the following:
• real and personal property,
• other assets and reserves,
• other accrued expenses, and
• other general liabilities.

We used the following methods and assumptions to estimate fair value amounts for financial instruments.

General
For short-term financial instruments realizable in three months or less, the carrying amount reported on our Balance Sheet approximates fair value. Unless otherwise stated, the rates used in discounted cash flow analyses are based on market yield curves.

Cash and cash equivalents
The carrying amounts reported on our Statement of Financial Condition for cash and cash equivalents approximate fair values. For purposes of this disclosure only, cash and cash equivalents includes the following:
• cash on deposit with PNC Bank N.A.,
• segregated deposit with PNC Bank N.A.,
• cash collateral at Fixed Income Clearing Corporation, and
• money market mutual fund investment with an affiliate.

Cash and due from banks are classified as Level 1.

Short-Term Assets
The carrying amounts reported on our Balance Sheet for short-term investments approximate fair values primarily due to their short-term nature. For purposes of this disclosure only, short-term assets include the following:
• resale agreements, and
• accrued interest receivable.

Short-term assets are classified as Level 2.

Trading Securities
For trading securities, we primarily use prices obtained from pricing services, dealer quotes or recent trades to determine the fair value of securities. As of December 31, 2013, all of the positions in these portfolios were priced by or validated against pricing data provided by third-party vendors. The third-party vendors use a variety of methods when pricing securities that incorporate relevant market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions. One of the vendor's prices are set with reference to market activity for highly liquid assets, such as U.S. Treasury and agency securities and agency mortgage-backed securities, and matrix pricing for other asset classes, such as commercial mortgage and other asset-backed securities. Another vendor primarily uses pricing models considering adjustments for ratings, spreads, matrix pricing and prepayments for the instruments we value using this service, such as non-agency residential mortgage-backed securities, agency adjustable rate mortgage securities, agency CMOs, commercial mortgage-backed securities, and municipal bonds. Management uses various methods and techniques to validate prices, including reference to third-party sources, by reviewing valuations of comparable instruments, or by comparison to internal valuations.

Borrowed Funds
The carrying amounts of repurchase agreements, trading securities sold short, short-term borrowings, and accrued interest payable are considered to be their fair value because of their short-term nature. For all other borrowed funds, fair values are estimated using either prices obtained from third-party vendors or an internally developed discounted cash flow approach taking into consideration our current incremental borrowing rates for similar instruments.

Financial Derivatives
The majority of derivatives that we enter into are executed over-the-counter and are valued using internal models. These derivatives are classified as Level 2 as the readily observable market inputs to these models are validated to external sources. The external sources for these inputs include industry pricing services, or are corroborated through recent trades, dealer quotes, yield curves, implied volatility or other market-related data. Level 2 financial derivatives are primarily estimated using a combination of Eurodollar future prices and observable benchmark interest rate swaps to construct projected discounted cash flows.

13. Financial Instruments With Off-Balance-Sheet Risk

The Company enters into various transactions involving financial instruments with off-balance-sheet risk, including securities sold not yet purchased and securities purchased and sold on a when-issued basis. These financial instruments are used to meet the needs of customers and conduct related hedging activities, and are subject to varying degrees of market and credit risk.

The obligation for securities sold not yet purchased represents a commitment to deliver specified securities. The Company will acquire the required securities at prevailing future market prices to satisfy this obligation. Accordingly, the Company's ultimate obligation may exceed the amount recognized in the financial statements. Exposure to market risk is managed by the Company through position limits and other controls.

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These transactions may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

14. Litigation

The Company establishes accruals for legal proceedings, including litigation, arbitrations, and regulatory and governmental investigations and inquiries, when information related to the loss contingencies represented by those matters indicates both that a loss is probable and that the amount of loss can be reasonably estimated. Any such accruals are adjusted thereafter as appropriate to reflect changed circumstances. When we are able to do so, we also determine estimates of possible losses or ranges of possible losses, whether in excess of any related accrued liability or where there is no accrued liability, for disclosed legal proceedings (the "Disclosed Matter," which is the matter disclosed in this Note). For the Disclosed Matter, as of December 31, 2013, we estimate that it is reasonably possible that the Company could incur losses in an aggregate amount of up to approximately $4.8 million. The estimates included in this amount are based on our analysis of currently available information and are subject to significant judgment and a variety of assumptions and uncertainties. As new information is obtained we may change our estimates.

Due to the inherent subjectivity of the assessments and unpredictability of outcomes of legal proceedings, any amounts accrued or included in this aggregate amount may not represent the ultimate loss to us from the legal proceedings in question. Thus, our exposure and ultimate losses may be higher, and possibly significantly so, than the amounts accrued or this aggregate amount. The estimated aggregate amount also does not reflect any of our exposure to matters not disclosed.

In our experience, legal proceedings are inherently unpredictable. In many legal proceedings, various factors exacerbate this inherent unpredictability, including, among others, one or more of the following: the proceeding is in its early stages; the damages sought are unspecified, unsupported or uncertain; it is unclear whether a case brought as a class action will be allowed to proceed on that basis or, if permitted to proceed as a class action, how the class will be defined; the plaintiff is seeking relief other than or in addition to compensatory damages; the matter presents meaningful legal uncertainties, including novel issues of law; we have not engaged in meaningful settlement discussions; discovery has not started or is not complete; there are significant facts in dispute; and there are a large number of parties named as defendants (including where it is uncertain how liability, if any, will be shared among multiple defendants). As a result, we may not always be able to estimate possible losses or ranges of possible losses for every matter that we disclose.

We include in the description of the Disclosed Matter certain quantitative information related to the plaintiff's claim against us alleged in the plaintiff's pleadings or otherwise publicly available. While information of this type may provide insight into the potential magnitude of a matter, it does not necessarily represent our estimate of reasonably possible loss or our judgment as to any currently appropriate accrual.

In 2009, Fulton Financial Advisors, N.A. filed a lawsuit against the Company in the Court of Common Pleas of Lancaster County, Pennsylvania arising out of Fulton's purchase of auction rate certificates (ARCs) through the Company (Fulton Financial Advisors, N.A. v. PNC Capital Markets LLC (CI 09-10838). Fulton also filed an analogous lawsuit against NatCity Investments, Inc. an affiliate of the Company. The lawsuit alleges violations of the Pennsylvania Securities Act, negligent misrepresentation, negligence, breach of fiduciary duty, common law fraud, and aiding and abetting common law fraud in connection with the purchase of the ARCs by Fulton. Specifically, Fulton alleges that, as a result of the decline of financial markets in 2007 and 2008, the market for ARCs became illiquid; that the Company knew or should have known of the increasing threat of the ARC market becoming illiquid; and that the Company did not inform Fulton of this increasing threat, but allowed Fulton to continue to purchase ARCs, to Fulton's detriment. In its complaints, Fulton alleges that it then held ARCs purchased through the Company for a price of more than $123 million. In its complaint, Fulton seeks, among other things, unspecified actual and punitive damages, rescission, attorneys' fees and interest.

The Company filed preliminary objections to Fulton's complaint, which were denied.

The Company is the subject of investigations, audits and other forms of regulatory and governmental inquiry covering a broad range of issues in our business, in some cases as part of reviews of specified activities at multiple industry participants. Over the last few years, we have experienced an increase in regulatory and governmental investigations, audits and other inquiries. Areas of current regulatory or governmental inquiry with respect to PNC include municipal finance activities. These inquiries may lead to administrative, civil or criminal proceedings, and possibly result in remedies including fines, penalties, restitution, alterations in our business practices, and in additional expenses and collateral costs.

In addition to the matter described above, the Company and persons to whom we may have indemnification obligations, in the normal course of business, are subject to various other pending and threatened legal proceedings in which claims for monetary damages and other relief are asserted. We do not anticipate, at the present time, that the ultimate aggregate liability, if any, arising out of such other legal proceedings will have a material adverse effect on our financial position. However, we cannot now determine whether or not any claims asserted against us or others to whom we may have indemnification obligations, whether in the matter described above or otherwise, will have a material adverse effect on our results of operations in any future reporting period, which will depend on, among other things, the amount of the loss resulting from the claim and the amount of income otherwise reported for the reporting period.

15. Commitments and Contingencies

The Company leases various types of equipment under noncancelable leases with remaining terms of less than four years with certain renewal options for like terms. The related rent expense totaled approximately $2.2 million in 2013. At December 31, 2013, future minimum rentals under these lease agreements aggregated to approximately $1.5 million. Minimum rentals for the years 2014 and 2015 are approximately $1.3 million and $254,000, respectively. There are no rental commitments after 2015.

The Company provides indemnification in connection with securities offering transactions in which it is involved. When the Company is an underwriter or placement agent, it provides a limited indemnification to the issuer related to its actions in connection with the offering and, if there are other underwriters, indemnification to the other underwriters intended to result in an appropriate sharing of the risk of participating in the offering. However, the potential requirement for the Company to make payments under these arrangements is remote. Accordingly, no liability has been recognized for these transactions.

In the normal course of business, the Company enters into underwriting and when-issued commitments. The Company had no other contractual commitments at December 31, 2013.

In accordance with industry practice, the Company generally settles transactions executed on behalf of its customers within three business days after the trade date. The risk of loss on unsettled transactions relates to the customers' or brokers' inability to meet the terms of their contracts. Settlement of these transactions did not have a material effect on the Company's financial statements in 2013.

16. Subsequent Events

The Company has conducted a review for any additional significant subsequent events through February 28, 2014, that would require additional disclosures. During the Company's review, it was determined that no additional significant subsequent events have occurred that would require additional disclosures in these notes to the financial statements at December 31, 2013.

Tab 8 – Pricing: <u>Pricing must be submitted separately</u>. Include a page as a placeholder. For applicants to the Senior Pool, include on the placeholder page: "Pricing submitted separately in a separate, sealed envelope with disc or USB in Packet #2." For applicants to the Co-Manager Pool, include on the placeholder page: "Applicant to Co-Manager Pool – Pricing not required."

Tab 9 – Deal Lists, Resumes and References: *Deal Lists requested for Tab 4(a) and Resumes and References requested for Tab 4(b) may be included in this Tab 9 without counting against the 17-page limit for Tabs 3-6.*

TAB 4(A) LIST. Below is the list of 30 selected transportation revenue transactions that PNCCM has served as senior, joint-senior, co-senior, and co-manager on since January 1, 2014.

Sale Date	Issuer	Issue Description	Series	Issue Par ($MM)	PNCCM Role	State	Cpn. Type	Fitch	Moody's	S&P	Liability*
01/13/2017	Triborough Bridge & Tunnel Auth	General Revenue & Refunding Bonds	Series 2017 A & B	1202.98	CO-MGR	NY	F	AA-	Aa3	AA-	0.8%
11/01/2016	**Canaveral Port Authority**	**Port Improvement & Ref Rev Bonds**	**Series 2016 C**	**37.45**	**LEAD**	**FL**	**F**	**A**	**A2**	**NR**	**70%**
10/19/2016	Metropolitan Transport Auth (MTA)	Transportation Revenue Ref Bonds	Series 2016 D	645.66	CO-MGR	NY	F	A	A1	AA-	1.2%
07/21/2016	Metropolitan Transport Auth (MTA)	Transportation Revenue Bonds	Series 2016 C-1& 2 & C-2b	863.86	CO-MGR	NY	F & VL	A	A1	AA-	1.2%
06/23/2016	Metropolitan Transport Auth (MTA)	Transportation Revenue Ref Bonds	Series 2016 B	673.99	CO-MGR	NY	F	A	A1	AA-	1.2%
05/24/2016	**Pennsylvania Turnpike Commission**	**Turnpike Sub Revenue Ref Bonds**	**Second Ser of 2016**	**649.55**	**LEAD**	**PA**	**F**	**A-**	**A3**	**NR**	**45%**
05/20/2016	Metropolitan Transport Auth (MTA)	Dedicated Tax Fd & Ref Bonds	Series 2016 B 1 & 2	588.31	CO-MGR	NY	F	AA	NR	AA	1.2%
05/18/2016	**Erie Parking Authority**	**Guaranteed Parking Rev Bonds**	**Series of 2016**	**8.59**	**SOLE**	**PA**	**F**	**NR**	**NR**	**AA**	**100%**
04/21/2016	**Westmoreland Co Airport Auth (WCAA)**	**Guaranteed Airport Rev Ref Bonds**	**Series 2016**	**3.95**	**SOLE**	**PA**	**F**	**NR**	**Aa2**	**NR**	**100%**
04/14/2016	**Burlington Co Bridge Commission**	**Lease Revenue Bonds**	**Series 2016**	**102.44**	**SOLE**	**NJ**	**F**	**NR**	**Aa2**	**AA**	**100%**
02/19/2016	Metropolitan Transport Auth (MTA)	Transportation Rev Green Bonds	Ser 2016 Sub A-1&2	782.52	CO-MGR	NY	F	A	A1	AA-	1.2%
01/22/2016	Triborough Bridge & Tunnel Auth	General Revenue Bonds	Series 2016 A	541.24	CO-MGR	NY	F	AA-	Aa3	AA-	1.2%
09/23/2015	**Pittsburgh Public Parking Auth**	**Parking System Revenue Ref Bonds**	**Series A of 2015**	**67.40**	**LEAD**	**PA**	**F**	**NR**	**A3**	**A+**	**65%**
09/23/2015	Wayne Co Airport Auth	Airport Revenue & Refunding Bonds	Series 2015 D-G	520.06	CO-MGR	MI	F	A-	A2	AA	4.0%
08/27/2015	**Indianapolis Loc Pub Imp Bond Bank**	**Refunding Bonds**	**Series 2015 I**	**178.69**	**JOINT-SR MGR**	**IN**	**F**	**A**	**A1**	**A**	**40.0%**
07/24/2015	Metropolitan Transport Auth (MTA)	Transportation Rev Ref Bonds	Ser 2015 C Subser C1&2	550.00	CO-MGR	NY	F	A	A1	AA-	1.1%
06/03/2015	**Erie Parking Authority**	**Guaranteed Parking Revenue Bonds**	**Series of 2015**	**3.56**	**SOLE**	**PA**	**F**	**NR**	**NR**	**AA**	**100%**
05/15/2015	Pennsylvania Turnpike Commission	Turnpike Revenue Bonds	Series A-1&2 of 2015	500.73	CO-MGR	PA	F&L	A+	A1	A+	15%
01/16/2015	Metropolitan Transport Auth (MTA)	Transportation Revenue Bonds	Series 2015 Sub A-1	600.00	CO-MGR	NY	F	A	A2	AA-	1.2%
01/13/2015	**Ohio**	**Capital Facs Lease-Approp Bonds**	**Series 2015 A**	**84.30**	**LEAD**	**OH**	**F**	**AA**	**Aa2**	**AA**	**55%**
12/04/2014	**Pennsylvania Turnpike Commission**	**Turnpike Revenue Bonds**	**Series C of 2014**	**294.23**	**LEAD**	**PA**	**F**	**A+**	**A1**	**A+**	**100%**
11/13/2014	New Jersey Trans Trust Fund Au	Transportation Program Bonds	2014 Series AA	764.06	CO-MGR	NJ	F	A-	A2	A-	2.0%
11/06/2014	**Burlington Co Bridge Commission**	**Lease Revenue Notes**	**Series 2014**	**60.00**	**SOLE**	**NJ**	**F**	**NR**	**NR**	**NR**	**100%**
10/28/2014	Metropolitan Transport Auth (MTA)	Transportation Revenue Bonds	Ser 2014 Subser D-1&2	500.00	CO-MGR	NY	F&L	A	A2	AA-	1.2%
10/02/2014	**Westmoreland Co Airport Auth (WCAA)**	**Guaranteed Airport Revenue Bonds**	**Series of 2014**	**3.00**	**SOLE**	**PA**	**F**	**NR**	**Aa2**	**NR**	**100%**
09/16/2014	**Indianapolis Loc Pub Imp Bond Bank**	**Refunding Bonds**	**Series 2014 D**	**165.34**	**CO-SR MGR**	**IN**	**F**	**A**	**A1**	**A**	**20.0%**
06/25/2014	**Burlington Co Bridge Commission**	**Co Gtd Lease Revenue Ref Bonds**	**Series 2014**	**10.61**	**SOLE**	**NJ**	**F**	**NR**	**Aa2**	**AA**	**100%**
06/18/2014	Chicago Transit Authority	Sales Tax Receipts Revenue Bonds	Series 2014	555.00	CO-MGR	IL	F	NR	NR	AA	3.6%
04/02/2014	**Greater Cleveland Reg Transit Au**	**Sales Tax Capital Imp Ref Bonds**	**Series 2014 A**	**13.36**	**LEAD**	**OH**	**F**	**NR**	**Aa2**	**AAA**	**75%**
03/26/2014	**Atlanta City-Georgia**	**Airport PFC & Gen Rev Ref Bonds**	**Series 2014 A-C**	**846.49**	**CO-SR MGR**	**GA**	**F**	**A**	**A1**	**A+**	**10%**
Total	**30 Transactions**			**$11,817.31**							

Source: SDC as of January 18, 2017.
Coupon Type Key: F=Fixed, L=Linked, VL= Var. Rate Long.
**Liability represents an approximation of our expected compensation.*

TAB 4(B) LIST. The following are resumes for each PNC finance team member.

PNCCM'S INVESTMENT BANKERS

Elizabeth Coolidge — Chicago, IL
Managing Director — 312.338.2262
PNC Capital Markets LLC — elizabeth.coolidge@pnc.com

[redacted]

Eric Golynsky — New York, NY
Director, Head of Transportation Finance Group — 212.752.6103
PNC Capital Markets LLC — eric.golynsky@pnc.com

[redacted]

Allison Pink — Chicago, IL
Director — 312.338.5227
PNC Capital Markets LLC — allison.pink@pnc.com

[redacted]

Amanda Parker
Director, Transportation Finance Group
PNC Capital Markets LLC

New York, NY
212.210.9997
amanda.parker@pnc.com

[redacted]

Yousaf Malhance
Senior Associate
PNC Capital Markets LLC

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312.338.5255
yousaf.malhance@pnc.com

[redacted]

Gina Barbato
Analyst
PNC Capital Markets LLC

New York, NY
212.527.3936
gina.barbato@pnc.com

[redacted]

PNC Bank's Relationship Managers

Jonathan Casiano
Senior Vice President
PNC Bank, N.A.

Chicago, IL
312.338.2295
jonathan.casiano@pnc.com

[redacted]

Fadzai Mugobogobo
Senior Associate
PNC Bank, N.A.

Chicago, IL
312.338.5233
fadzai.mugobogobo@pnc.com

[redacted]

PNCCM's Underwriting, Sales, and Trading

Shahin Zandfard, CFA
Managing Director, Head of Municipal Underwriting, Trading, Remarketing, and Sales
PNC Capital Markets LLC

Philadelphia, PA
215.585.1441
shahin.zandfard@pnc.com

[redacted]

Mark DeNick
Managing Director, Senior Underwriter and Trader
PNC Capital Markets LLC

Philadelphia, PA
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[redacted]

Robert Leppert
Managing Director, Municipal Sales Manager
PNC Capital Markets LLC

Pittsburgh, PA
412.762.8811
robert.leppert@pnc.com

[redacted]

Tom Kozlik
Managing Director, Municipal Strategist
PNC Capital Markets LLC

Philadelphia, PA
215.585.1083
thomas.kozlik@pnc.com

[redacted]

Matt Schiavi
Managing Director, Manager of Municipal Analytics and Operations
PNC Capital Markets LLC

Philadelphia, PA
215.585.1441
matthew.schiavi@pnc.com

[redacted]

TAB 4(B) LIST. On the next page, the Firm provides three client references for which the primary contact, Elizabeth Coolidge, has served as senior and co-senior managing underwriter within the past twelve months.

STATE OF ILLINOIS
REFERENCES

Provide references from established firms or government agencies (State of Illinois, City of Chicago and State of Wisconsin) other than the procuring agency/university that can attest to Offeror's experience and ability to perform the contract that is the subject of this solicitation.

J.1. Firm/Government Agency/University (name): State of Illinois

Contact Person (name, title, email address, address, and phone): Kelly Hutchinson, Director of Capital Markets, kelly.hutchinson@illinois.org, 100 W. Randolph, Suite 15-100, Chicago, IL, 60601

Date of Supplies/Services Provided: $1.3 billion GO Refunding Bonds, Series of October 2016 (10/13/16)

Type of Supplies/Services Provided: Co-Senior Manager

J.2. Firm/Government Agency/University (name): City of Chicago

Contact Person (name, title, email address, address, and phone): Carole Brown, Chief Financial Officer, carole.brown@cityofchicago.org, 121 N. LaSalle Street, 7th Floor, Chicago, IL, 60602

Date of Supplies/Services Provided: $526.3 million Second Lien Water Revenue Bonds, Series 2000, 2004, 2016A (5/11/16)

Type of Supplies/Services Provided: Senior Manager

J.3. Firm/Government Agency/University (name): State of Wisconsin

Contact Person (name, title, email address, address, and phone): David Erdman, Capital Finance Director, david.erdman@wisconsin.gov, 101 E. Wilson Street, 10th Floor, Madison, WI, 53707

Date of Supplies/Services Provided: $33.6 million Master Lease Certificates of Paricipation of 2016, Series A (6/23/16)

Type of Supplies/Services Provided: Senior Manager

J.4. Firm/Government Agency/University (name): N/A

Contact Person (name, title, email address, address, and phone): N/A

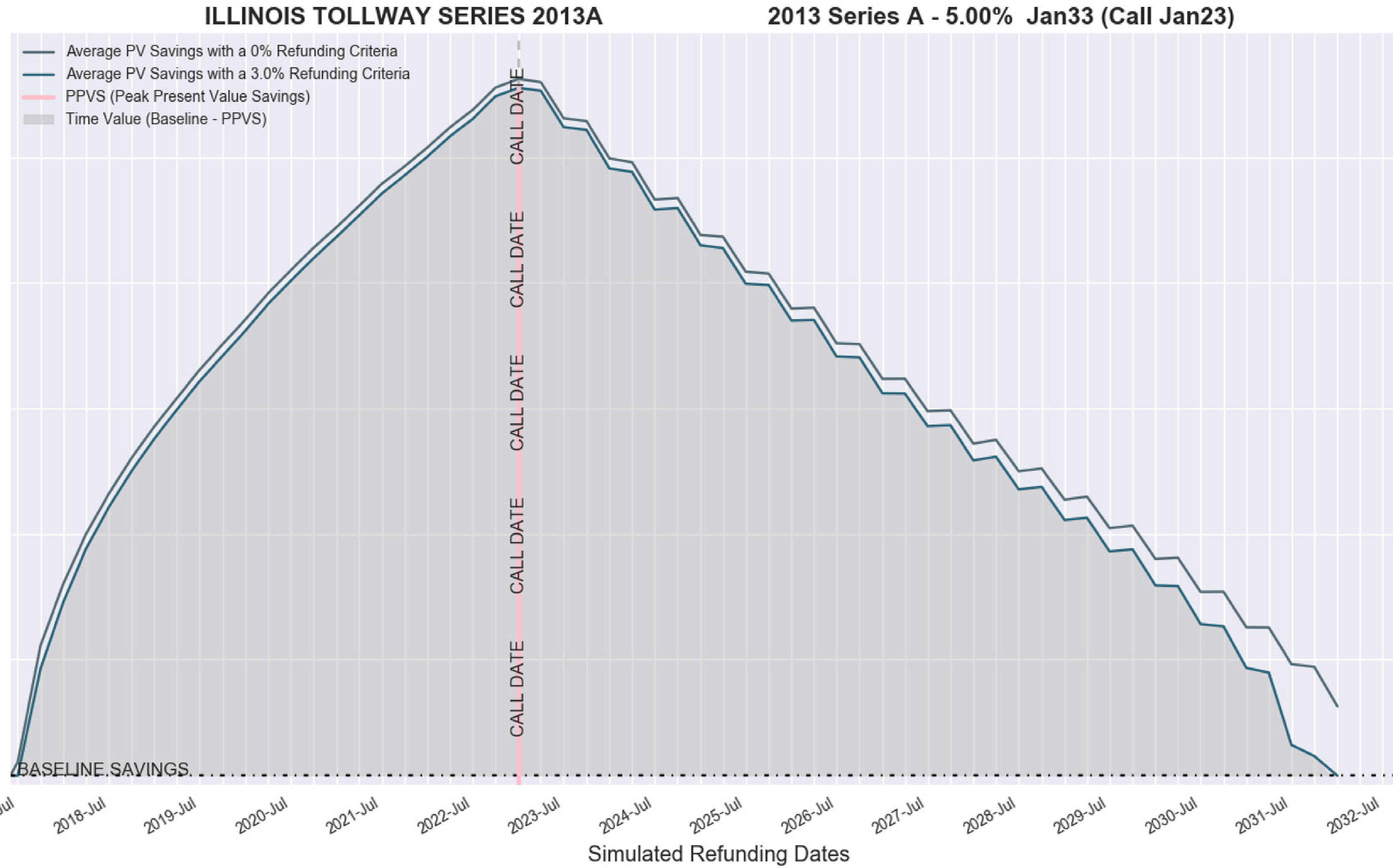
Date of Supplies/Services Provided: N/A

Type of Supplies/Services Provided: N/A

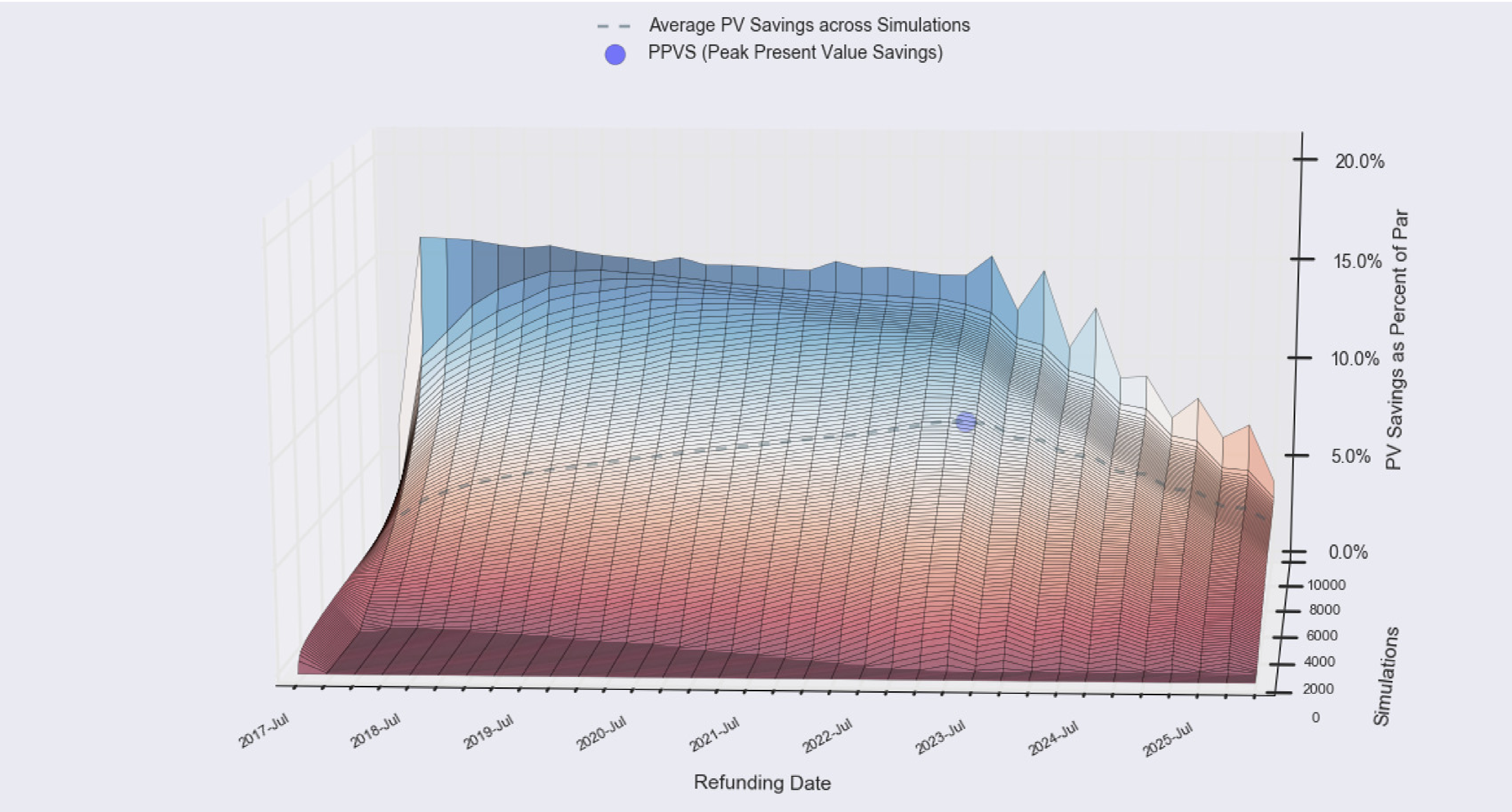
Offeror Name: PNC Capital Markets LLC

Return Mailing Address:One North Franklin Street, 29th Floor, Chicago, IL, 60606

APPENDIX A: QUANITATIVE ANALYSIS



ILLINOIS TOLLWAY SERIES 2013A
2013 Series A - 5.00% Jan33 (Call Jan23)
Average PV Savings with a 0% Refunding Criteria
Average PV Savings with a 3.0% Refunding Criteria
PPVS (Peak Present Value Savings)
Time Value (Baseline - PPVS)
CALL DATE
CALL DATE
CALL DATE
CALL DATE
CALL DATE
CALL DATE
BASELINE SAVINGS
2018-Jul
2019-Jul
2020-Jul
2021-Jul
2022-Jul
2023-Jul
2024-Jul
2025-Jul
2026-Jul
2027-Jul
2028-Jul
2029-Jul
2030-Jul
2031-Jul
2032-Jul
Simulated Refunding Dates


Average PV Savings across Simulations
PPVS (Peak Present Value Savings)
20.0%
15.0%
10.0%
5.0%
0.0%
PV Savings as Percent of Par
10000
8000
6000
4000
2000
0
Simulations
2017-Jul
2018-Jul
2019-Jul
2020-Jul
2021-Jul
2022-Jul
2023-Jul
2024-Jul
2025-Jul
Refunding Date

APPENDIX B: ILLINOIS TOLLWAY BONDHOLDER ANALYSIS

ILLINOIS TOLLWAY BONDHOLDER ANALYSIS

Bondholder Analysis and Investor Targeting for the Illinois State Toll Highway Authority

Targeted investor marketing has proven successful for PNCCM in broadening the distribution of municipal securities

PNCCM's strong sales capabilities are driven by active coverage of all Tier I and Tier II large and medium-sized municipal buyers and the strong relationships with Tier III and Tier IV investors such as local bank trust departments and investment advisors

Investor Outreach Overview

- PNCCM will develop a comprehensive marketing plan for the Illinois State Toll Highway Authority transaction
- In addition to an investor roadshow, PNCCM can facilitate one-on-one investor calls with potential investors that have additional questions about the credit or structure
- PNCCM will also develop a strategic marketing plan to potential investors based upon the following:

Identify Anchor Investors

- Targeting institutional investors that have approved the Illinois State Toll Highway Authority's credit on previous transactions provides a valuable buyer base for a new issue
- Current investors are polled to ascertain their interest in adding new bonds to their current positions
- One-on-one conversations and active engagement with current holders to identify the willingness and capacity to increase their holdings is critical to forming an investor base for a new issue

Target Potential Investors

- To expand the investor base, PNCCM performs extensive proprietary analysis to identify investors that do not currently own the Illinois State Toll Highway Authority's bonds but own similar issues
- PNCCM individually contacts these potential new investors about the proposed issuance
- Additional focus is placed on state specific bond funds with investment mandates to purchase bonds from Illinois issuers
- PNCCM's sales and trading personnel actively participate in the secondary market by providing market intelligence and liquidity to investors

PNC

Maturity Preferences of Tax-Exempt Municipal Investors

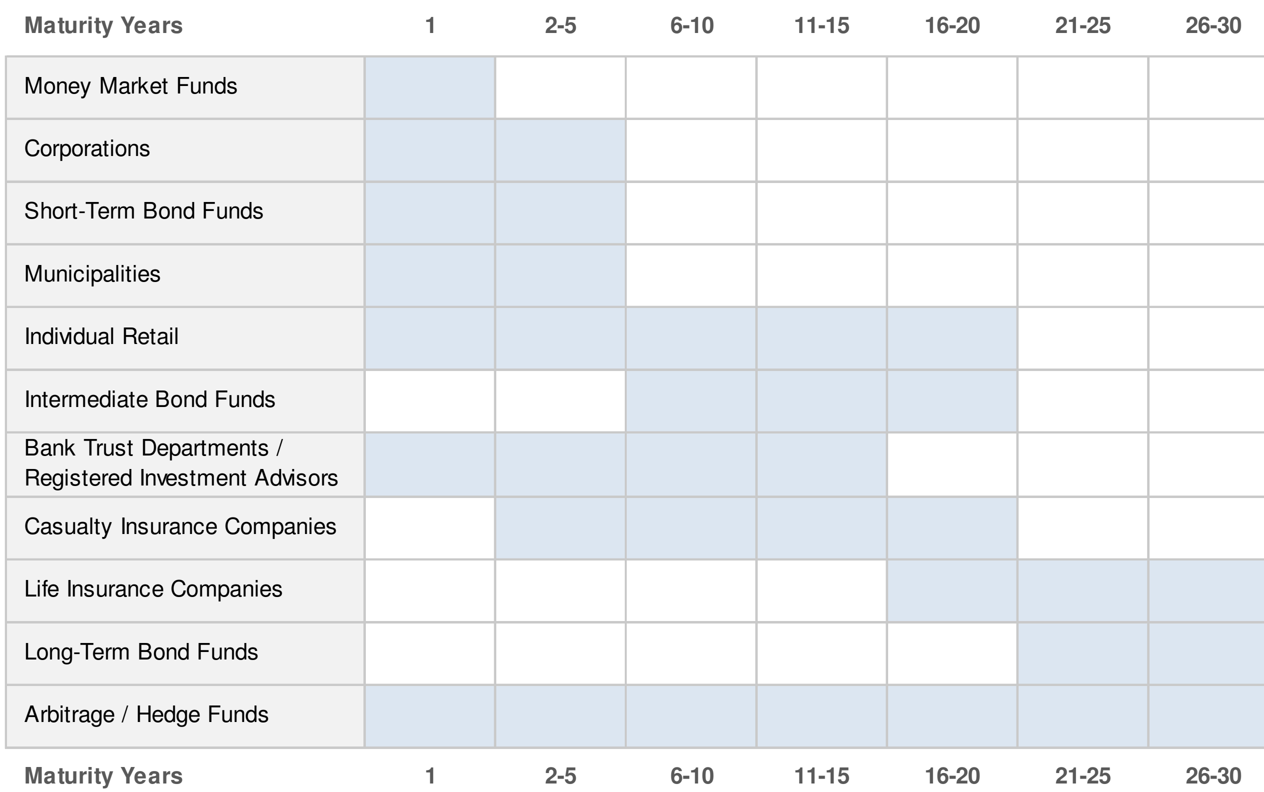
Identification and knowledge of investor maturity preferences allows for better and efficient marketing of a bond transaction

During the marketing and sales process, certain investors would be targeted to ascertain their interest in specific maturities based upon their typical preferences

Targeted investor marketing has proven successful for PNCCM in broadening the distribution of municipal securities

PNCCM's strong sales capabilities are driven by active coverage of all Tier I and Tier II large and medium-sized municipal buyers and the strong relationships with Tier III and Tier IV investors such as local bank trust departments and investment advisors

Tax-Exempt Investor Maturity Preferences *



- While there are many types of investors in the municipal market, maturity preferences are not uniform
- Maturity choices by municipal investors vary based upon their investment mandate, expected return, and risk tolerance

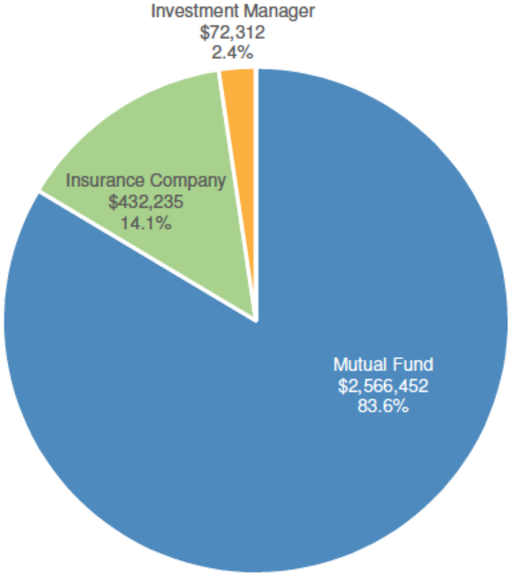
** Note: The chart above is for illustrative purposes only. Subject to change based upon market conditions and the interest rate environment. Investor preferences extend beyond maturity considerations and include but are not limited to security / repayment source, credit rating, pricing / coupon structure, relative value compared to taxable investments, and transaction size, among others.*

The Illinois State Toll Highway Authority Investor Listing (Top 50)

Tax-Exempt / Fixed Rate

Investor	Holdings ($, 000s)	Investor	Holdings ($, 000s)
Vanguard	285,905	Eaton Vance Management	27,465
Nuveen Asset Management	245,765	Standish Mellon Asset Management Co.	27,185
J.P. Morgan Investment Management	194,400	Wilmington Trust Investment Advisors	26,985
Federated Investment Management Co.	149,450	Northwestern Mutual Investment Management Co.	26,270
Charles Schwab Investment Management	147,970	Goldman Sachs Asset Management	26,045
Capital Research & Management Co.	141,015	Hartford Investment Management Co.	24,150
BlackRock Advisors	122,780	American Century Investment Management	23,610
Fidelity Investments Money Management	122,500	Thornburg Investment Management	23,550
BlackRock Fund Advisors	107,453	Prime Advisors	21,425
PGIM	101,830	Allstate Investment Management Co.	21,000
AllianceBernstein	96,715	Conning Asset Management	20,425
Wells Capital Management	88,550	Franklin Advisers	20,245
T. Rowe Price Associates	83,960	MFS Investment Management	19,500
MetLife	73,985	BMO Asset Management U.S.	18,539
PineBridge Investments	71,725	Progressive Capital Management Corp.	16,600
Wellington Management Co.	67,405	Berkley Dean & Co.	16,600
Deutsche Investment Management Americas	56,310	MGIC Investment Corp.	15,010
New York Life	49,655	Western Asset Management Co.	13,450
Columbia Threadneedle Investments	49,605	Chubb Corp.	13,000
USAA Asset Management Co.	36,470	GW&K Investment Management	11,650
Nationwide Asset Management	32,600	Lord, Abbett & Co.	11,060
AIG Asset Management (U.S.)	31,160	Amerigroup Corp.	10,085
Northern Trust Investments	28,100	Protective Life Corp.	10,000
State Farm	28,000	Global Index Advisors, Inc.	10,000
PIMCO	27,640	State Street Global Advisors (SSgA)	9,292

The Illinois State Toll Highway Authority
Holdings by Investor Type ($, 000s)



Source: Ipreo BD Advanced as of January 24, 2017. Although Ipreo is a valuable resource, differences exist between the total holdings as reported by Ipreo and the total actual par outstanding for any given issuer due to a variety of reasons, such as time lag, reporting requirements for certain holders, and the presence of retail investors, among others.

PNC

The Illinois State Toll Highway Authority Bondholder Analysis and Potential New Investor Targets (Top 25 Comparison)

The Illinois State Toll Highway Authority Holders

Rank	Investor	Holdings ($, 000s)
1	Vanguard	$285,905
2	Nuveen Asset Management	245,765
3	J.P. Morgan Investment Management	194,400
4	Federated Investment Management Co.	149,450
5	Charles Schwab Investment Management	147,970
6	Capital Research & Management Co.	141,015
7	BlackRock Advisors	122,780
8	Fidelity Investments Money Management	122,500
9	BlackRock Fund Advisors	107,453
10	PGIM	101,830
11	AllianceBernstein	96,715
12	Wells Capital Management	88,550
13	T. Rowe Price Associates	83,960
14	MetLife	73,985
15	PineBridge Investments	71,725
16	Wellington Management Co.	67,405
17	Deutsche Investment Management Americas	56,310
18	New York Life	49,655
19	Columbia Threadneedle Investments	49,605
20	USAA Asset Management Co.	36,470
21	Nationwide Asset Management	32,600
22	AIG Asset Management (U.S.)	31,160
23	Northern Trust Investments	28,100
24	State Farm	28,000
25	PIMCO	27,640
Total		$2,440,949

National Toll Roads / Highway / Streets Holders*

Rank	Investor	Holdings ($, 000s)
1	Vanguard	$1,529,255
2	State Farm	949,435
3	Nuveen Asset Management	702,025
4	Fidelity Investments Money Management	408,115
5	BlackRock Advisors	404,178
6	Capital Research & Management Co.	347,275
7	**Liberty Mutual**	**316,130**
8	**Franklin Advisers**	**277,420**
9	AllianceBernstein	266,295
10	Deutsche Investment Management Americas	239,780
11	**Travelers Co.**	**219,125**
12	T. Rowe Price Associates	193,765
13	BlackRock Fund Advisors	189,914
14	Wells Capital Management	164,520
15	**General Re- New England Asset Management**	**155,960**
16	**Goldman Sachs Asset Management**	**150,105**
17	**Hartford Investment Management Co.**	**144,715**
18	**Invesco Advisers**	**144,100**
19	**Loews Corp.**	**143,180**
20	PGIM	131,305
21	**Conning Asset Management**	**128,990**
22	J.P. Morgan Investment Management	128,968
23	**Dimensional Fund Advisors**	**124,110**
24	Northern Trust Investments	119,167
25	**Prime Advisors**	**112,665**
Total		$7,690,498

State of Illinois Holders*

Rank	Investor	Holdings ($, 000s)
1	Vanguard	$1,245,285
2	Nuveen Asset Management	1,140,893
3	Wells Capital Management	663,440
4	Fidelity Investments Money Management	631,885
5	BlackRock Advisors	607,043
6	Capital Research & Management Co.	544,920
7	State Farm	413,680
8	**Franklin Advisers**	**308,237**
9	Deutsche Investment Management Americas	297,955
10	**Travelers Co.**	**254,620**
11	**Belle Haven Investments**	**244,213**
12	**MacKay Shields**	**243,575**
13	USAA Asset Management Co.	224,994
14	**MFS Investment Management**	**208,815**
15	PGIM	203,355
16	Columbia Threadneedle Investments	201,270
17	**Thornburg Investment Management**	**191,175**
18	**Invesco Advisers**	**186,207**
19	**Western Asset Management Co.**	**180,795**
20	**General Re- New England Asset Management**	**173,925**
21	PineBridge Investments	172,260
22	**OppenheimerFunds**	**170,636**
23	AllianceBernstein	166,785
24	Nationwide Asset Management	165,500
25	**Standish Mellon Asset Management Co.**	**152,349**
Total		$8,993,812

Names bolded in blue represent firms that would either be new investors to The Illinois State Toll Highway Authority or current investors that may seek to raise their allocation because they fall outside the top 25 largest holders.

Source: Ipreo BD Advanced as of 1/24/2017. Although Ipreo is a valuable resource, differences exist between the total holdings as reported by Ipreo and the total actual par outstanding for any given issuer due to a variety of reasons, such as time lag, reporting requirements for certain holders, and the presence of retail investors, among others.

** Represents issues with ratings of AA+ / AA / AA-.*

PNC

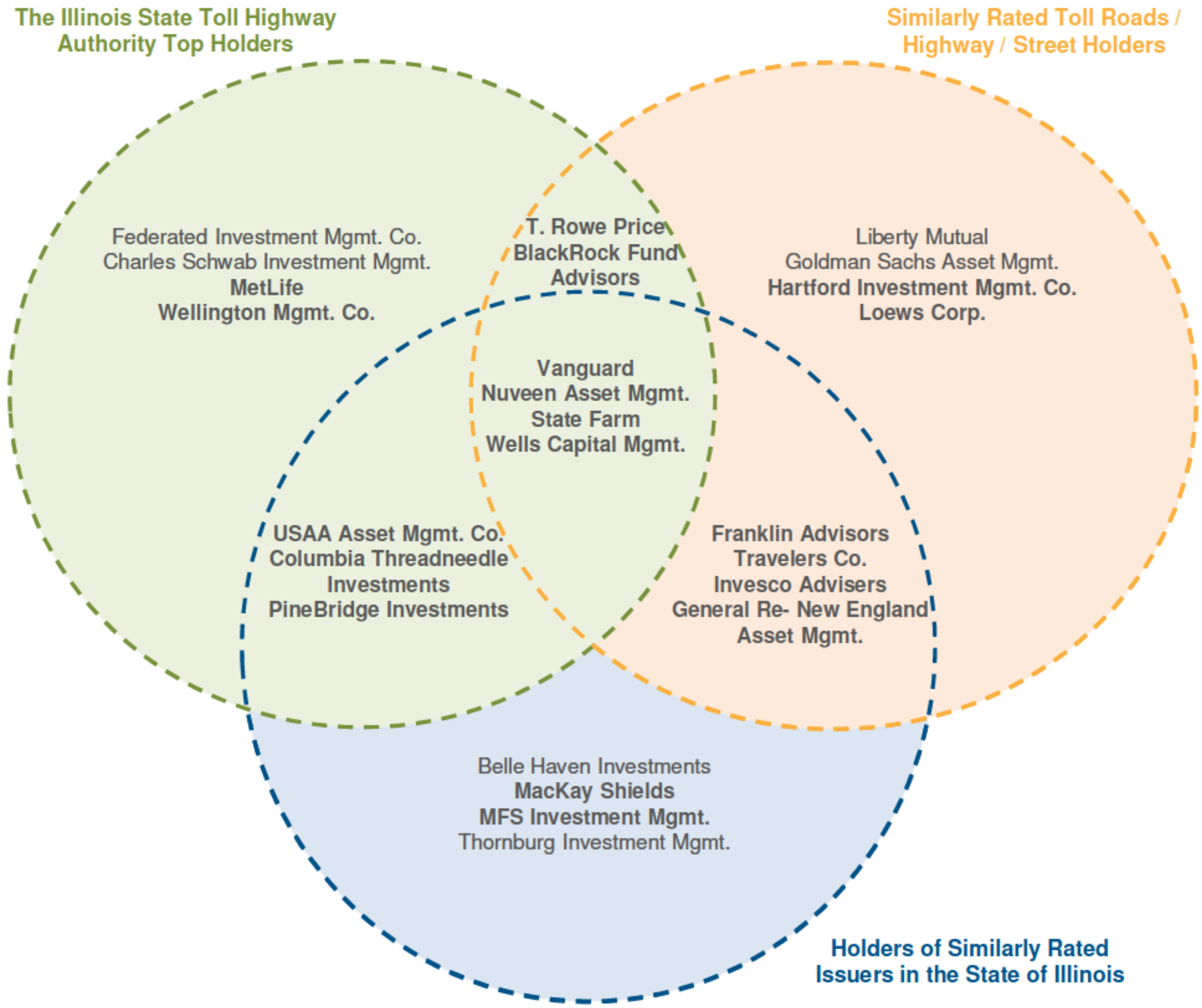
The Illinois State Toll Highway Authority Bondholder Analysis and Potential New Investor Targets (Top 25 Comparison)

PNCCM identified the top holders of the Illinois State Toll Highway Authority's bonds and cross referenced them with similar issuers and credits

During the marketing and sales process, current investors are polled to ascertain their interest in adding new bonds to current positions

Investors that do not currently own the Illinois State Toll Highway Authority's credit but own similar issues are also identified and contacted about the proposed issuance

PNCCM's bondholder analysis approach has been very successful in marketing and placing bonds with new investors



Source: Ipreo BD Advanced as of January 24, 2017. Although Ipreo is a valuable resource, differences exist between the total holdings as reported by Ipreo and the total actual par outstanding for any given issuer due to a variety of reasons, such as time lag, reporting requirements for certain holders, and the presence of retail investors, among others.

Investor Holdings by Maturity Segment for the Illinois State Toll Highway Authority Bonds (Top 25 Comparison)

Tax-Exempt / Fixed Rate / Years 15 - 25

Rank	Investor	Investor Type	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Total Holdings ($, 000s)
1	Nuveen Asset Management	Mutual Fund	9,390	11,115	15,590	7,940	11,135	21,000	43,765	6,970	71,620	4,030	-	202,555
2	Vanguard	Mutual Fund	23,335	29,690	29,120	5,060	11,110	11,375	10,460	50	25,150	-	-	145,350
3	Fidelity Investments Money Management	Mutual Fund	5,000	17,000	-	-	-	-	20,000	-	47,500	33,000	-	122,500
4	BlackRock Advisors	Mutual Fund	20,810	10,240	10,847	100	20,000	24,460	16,303	-	900	3,750	-	107,410
5	PGIM	Mutual Fund	-	-	11,747	32,358	-	10,000	22,625	7,000	15,100	3,000	-	101,830
6	Capital Research & Management Co.	Mutual Fund	1,000	2,200	-	3,055	4,000	3,400	36,930	3,000	14,500	18,200	-	86,285
7	MetLife	Insurance Company	-	-	42,205	13,280	-	-	11,500	-	-	7,000	-	73,985
8	PineBridge Investments	Mutual Fund	-	-	-	5,000	10,000	25,325	18,400	3,000	8,000	-	-	69,725
9	Wellington Management Co.	Mutual Fund	1,000	-	57,655	5,000	-	-	-	-	-	-	-	63,655
10	AllianceBernstein	Mutual Fund	3,875	22,035	2,000	2,000	7,000	-	-	-	23,550	-	-	60,460
11	New York Life	Insurance Company	-	-	17,720	14,795	-	-	14,140	-	-	-	-	46,655
12	Columbia Threadneedle Investments	Mutual Fund	21,600	-	-	-	5,000	3,500	6,650	5,000	-	-	-	41,750
13	T. Rowe Price Associates	Mutual Fund	-	-	1,060	-	500	5,000	-	-	350	31,625	-	38,535
14	USAA Asset Management Co.	Mutual Fund	-	11,000	8,370	7,600	9,500	-	-	-	-	-	-	36,470
15	Nationwide Asset Management	Insurance Company	-	-	5,000	16,600	11,000	-	-	-	-	-	-	32,600
16	Deutsche Investment Management Americas	Mutual Fund	12,420	-	-	12,300	7,500	-	-	-	-	-	-	32,220
17	Wells Capital Management	Mutual Fund	9,000	-	-	12,300	7,500	-	-	2,500	-	-	-	31,300
18	PIMCO	Mutual Fund	-	8,000	3,590	9,050	-	-	-	-	7,000	-	-	27,640
19	BlackRock Fund Advisors	Mutual Fund	-	3,000	2,580	298	3,000	4,000	1,000	-	8,500	4,000	-	26,378
20	Northwestern Mutual Investment Management Co.	Investment Manager	-	-	8,070	18,200	-	-	-	-	-	-	-	26,270
21	AIG Asset Management (U.S.)	Insurance Company	-	-	-	25,000	-	-	-	-	-	-	-	25,000
22	Goldman Sachs Asset Management	Mutual Fund	-	-	17,000	-	-	-	-	-	7,920	-	-	24,920
23	Hartford Investment Management Co.	Insurance Company	-	-	-	-	-	-	14,150	-	10,000	-	-	24,150
24	Allstate Investment Management Co.	Investment Manager	-	-	5,000	16,000	-	-	-	-	-	-	-	21,000
25	American Century Investment Management	Mutual Fund	-	910	-	-	15,200	-	-	2,500	-	-	-	18,610
Totals			$107,430	$115,190	$237,554	$205,937	$122,445	$108,060	$215,923	$30,020	$240,090	$104,605	-	$1,487,254

Source: Ipreo BD Advanced as of January 24, 2017. Although Ipreo is a valuable resource, differences exist between the total holdings as reported by Ipreo and the total actual par outstanding for any given issuer due to a variety of reasons, such as time lag, reporting requirements for certain holders, and the presence of retail investors, among others.

Investor Holdings by Maturity Segment for Toll Roads / Highway / Street Bonds

(Top 25 Comparison)

Tax-Exempt / Fixed Rate / Years 15 - 25

Rank	Investor	Investor Type	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Total Holdings ($, 000s)
1	Vanguard	Mutual Fund	89,055	49,600	24,550	320,575	13,110	11,445	10,460	50	29,205	12,325	7,770	568,145
2	Nuveen Asset Management	Mutual Fund	14,980	14,565	3,505	23,990	27,135	21,000	49,400	37,515	91,120	16,380	9,975	309,565
3	BlackRock Advisors	Mutual Fund	20,810	11,648	27,380	-	44,380	44,460	16,553	27,735	4,080	11,090	22,375	230,511
4	State Farm	Insurance Company	24,350	57,740	62,380	19,730	33,310	19,575	2,645	-	-	-	-	219,730
5	Fidelity Investments Money Management	Mutual Fund	10,475	18,050	-	13,230	-	2,600	21,700	670	47,500	33,000	42,575	189,800
6	Travelers Co.	Insurance Company	16,565	27,030	60,695	37,465	1,940	14,660	14,735	1,375	-	-	-	174,465
7	Capital Research & Management Co.	Mutual Fund	3,000	2,200	3,150	3,055	4,295	9,985	36,930	3,000	14,500	23,200	-	103,315
8	Wells Capital Management	Mutual Fund	14,080	-	2,830	36,000	21,500	-	5,620	2,500	3,500	-	7,465	93,495
9	PGIM	Mutual Fund	-	-	-	10,555	3,630	10,000	26,325	10,900	15,100	13,260	1,000	90,770
10	Franklin Advisers	Mutual Fund	-	11,850	7,280	16,165	-	6,960	-	33,250	11,000	-	-	86,505
11	AllianceBernstein	Mutual Fund	3,875	38,200	2,000	8,125	7,000	-	3,000	-	23,550	-	-	85,750
12	PineBridge Investments	Mutual Fund	-	-	1,100	5,000	10,000	25,325	22,900	3,000	8,000	-	-	75,325
13	Deutsche Investment Management Americas	Mutual Fund	17,500	-	2,830	20,835	11,565	-	-	-	-	-	14,140	66,870
14	Loews Corp.	Insurance Company	-	-	-	-	-	5,570	4,430	-	-	-	56,225	66,225
15	General Re- New England Asset Management	Insurance Company	6,225	12,575	10,905	6,530	1,350	7,750	5,665	5	4,000	-	9,360	64,365
16	BNY Mellon Wealth Management	Mutual Fund	4,995	-	5,150	23,045	5,000	-	-	-	3,000	-	20,000	61,190
17	Columbia Threadneedle Investments	Mutual Fund	24,435	5,000	-	4,600	5,000	3,500	6,650	5,000	4,100	-	-	58,285
18	MFS Investment Management	Mutual Fund	1,000	4,170	8,035	-	23,795	15,245	-	-	5,000	-	-	57,245
19	New York Life	Insurance Company	6,270	12,330	3,150	4,000	-	-	24,150	-	-	-	-	49,900
20	Western Asset Management Co.	Mutual Fund	1,500	20,000	-	-	-	-	-	9,000	8,350	10,000	-	48,850
21	Hartford Investment Management Co.	Insurance Company	-	-	-	-	-	9,845	14,150	-	17,500	5,000	-	46,495
22	T. Rowe Price Associates	Mutual Fund	-	-	-	-	500	5,000	-	-	350	31,625	9,000	46,475
23	USAA Asset Management Co.	Mutual Fund	3,000	11,000	8,370	7,600	9,500	-	-	-	2,000	-	-	41,470
24	BlackRock Fund Advisors	Mutual Fund	1,500	3,000	-	7,615	3,975	6,520	1,000	-	10,750	5,140	-	39,500
25	MetLife	Insurance Company	-	-	-	5,000	-	-	11,500	-	-	7,000	10,105	33,605
Totals			$263,615	$298,958	$233,310	$573,115	$226,985	$219,440	$277,813	$134,000	$302,605	$168,020	$209,990	$2,907,851

Source: Ipreo BD Advanced as of January 24, 2017. Although Ipreo is a valuable resource, differences exist between the total holdings as reported by Ipreo and the total actual par outstanding for any given issuer due to a variety of reasons, such as time lag, reporting requirements for certain holders, and the presence of retail investors, among others.

Investor Holdings by Maturity Segment for State of Illinois Bonds (Top 25 Comparison)

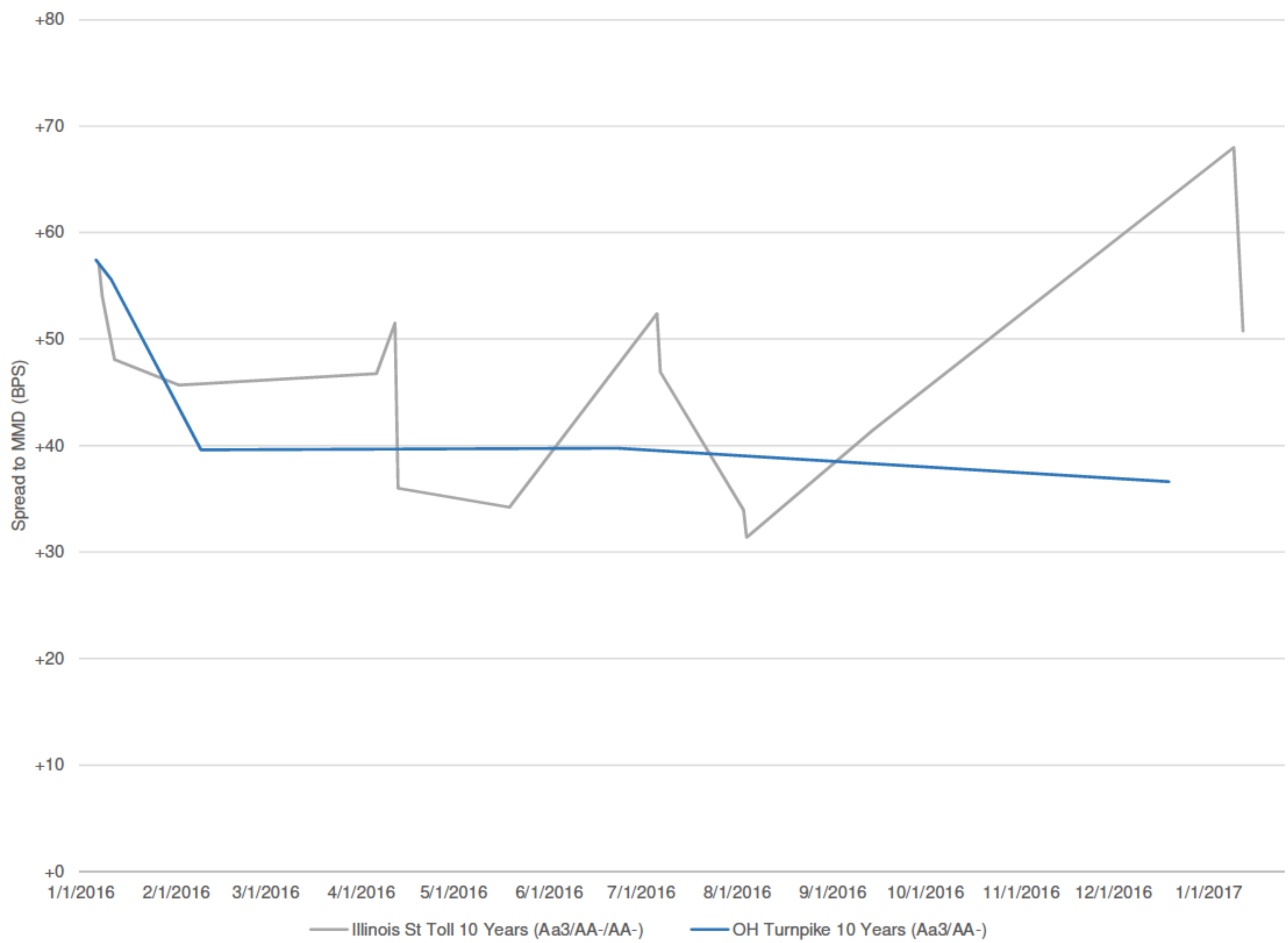
Tax-Exempt / Fixed Rate / Years 15 - 25

Rank	Investor	Investor Type	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Total Holdings ($, 000s)
1	Nuveen Asset Management	Mutual Fund	30,650	21,825	137,695	43,445	16,535	28,870	63,355	9,335	95,085	52,600	30,255	529,650
2	BlackRock Advisors	Mutual Fund	26,070	21,980	44,000	6,925	39,245	45,600	42,383	3,090	89,280	50,620	56,865	426,058
3	Vanguard	Mutual Fund	57,430	54,120	53,050	17,560	45,480	23,175	33,565	50	36,650	-	3,000	324,080
4	Fidelity Investments Money Management	Mutual Fund	13,985	31,225	60,790	11,430	-	10,485	24,500	-	62,500	33,000	13,255	261,170
5	Capital Research & Management Co.	Mutual Fund	9,250	9,278	30,500	13,005	4,000	13,265	36,930	21,350	45,000	23,550	-	206,128
6	MacKay Shields	Mutual Fund	9,520	24,835	-	2,045	-	7,300	24,065	-	11,455	9,500	72,575	161,295
7	PGIM	Mutual Fund	1,000	-	-	-	1,000	10,000	26,230	56,550	25,615	4,000	9,000	133,395
8	PineBridge Investments	Mutual Fund	-	1,000	1,500	8,000	13,630	31,325	18,400	3,000	8,000	45,000	-	129,855
9	Deutsche Investment Management Americas	Mutual Fund	17,420	7,800	27,000	28,175	7,500	-	12,845	16,445	9,000	-	-	126,185
10	State Farm	Insurance Company	14,365	9,860	26,305	12,475	-	14,560	25,865	-	-	1,725	-	105,155
11	Franklin Advisers	Mutual Fund	-	-	-	22,850	-	14,997	23,000	13,000	-	26,000	-	99,847
12	Wells Capital Management	Mutual Fund	22,575	9,285	15,450	13,800	9,650	4,750	13,000	2,500	5,000	1,000	-	97,010
13	Travelers Co.	Insurance Company	6,230	20,535	6,095	53,105	1,000	-	-	6,000	-	-	-	92,965
14	Columbia Threadneedle Investments	Mutual Fund	34,700	10,745	14,460	250	13,700	3,500	6,650	5,000	3,000	-	-	92,005
15	AllianceBernstein	Mutual Fund	8,875	32,140	5,400	3,850	7,000	-	-	-	23,550	-	-	80,815
16	Hartford Investment Management Co.	Insurance Company	-	24,000	715	30,000	-	-	14,150	-	10,000	-	-	78,865
17	USAA Asset Management Co.	Mutual Fund	11,300	21,000	9,857	16,600	9,500	1,250	-	2,000	3,000	-	-	74,507
18	Western Asset Management Co.	Mutual Fund	13,200	12,235	3,320	5,170	-	-	-	-	29,095	10,000	-	73,020
19	MFS Investment Management	Mutual Fund	4,500	26,000	5,565	-	12,505	17,500	-	-	-	5,095	-	71,165
20	T. Rowe Price Associates	Mutual Fund	-	-	27,490	5,750	500	5,000	-	-	350	31,625	-	70,715
21	Invesco Advisers	Mutual Fund	10,955	16,080	2,300	4,000	-	12,705	13,755	8,000	-	1,000	650	69,445
22	General Re- New England Asset Management	Insurance Company	10,470	3,785	595	500	12,315	5,750	3,400	-	-	18,500	-	55,315
23	MetLife	Insurance Company	3,095	-	-	5,000	5,000	-	11,500	5,000	18,000	7,000	-	54,595
24	BMO Asset Management U.S.	Mutual Fund	23,671	6,976	4,024	-	1,435	6,860	-	-	1,000	-	-	43,966
25	Eaton Vance Management	Mutual Fund	9,805	11,730	11,395	2,810	-	-	7,850	35	-	-	-	43,625
Totals			$339,066	$376,434	$487,506	$306,745	$199,995	$256,892	$401,443	$151,355	$475,580	$320,215	$185,600	$3,500,831

Source: Ipreo BD Advanced as of January 24, 2017. Although Ipreo is a valuable resource, differences exist between the total holdings as reported by Ipreo and the total actual par outstanding for any given issuer due to a variety of reasons, such as time lag, reporting requirements for certain holders, and the presence of retail investors, among others.

APPENDIX C: ILLINOIS TOLLWAY SECONDARY TRADES

10 Year Secondary Trading Spreads (1/1/16-1/25/17, 500m+, 5%+ fixed coupon, Tax-Exempt)



Source: Bloomberg, TM3

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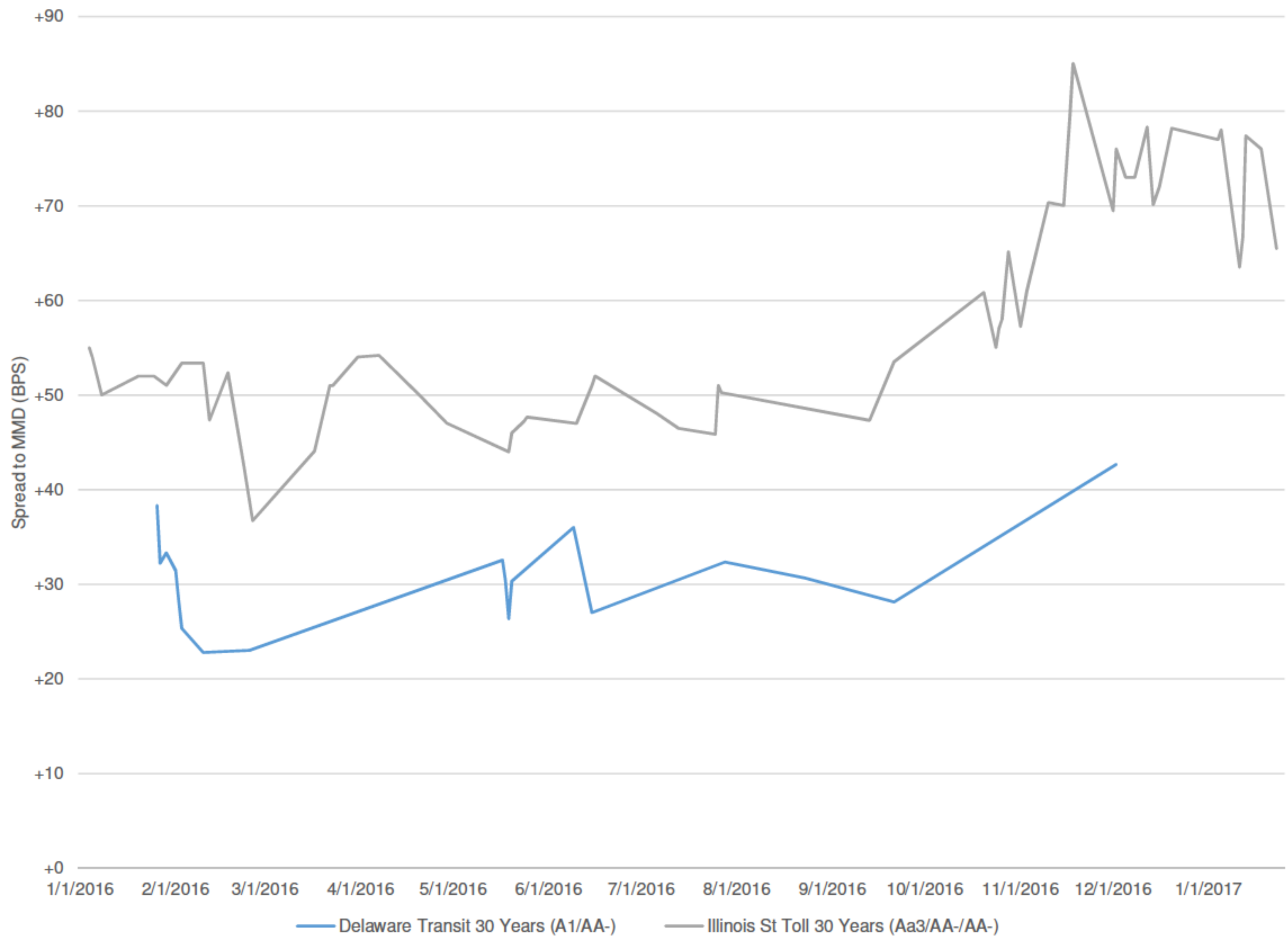
30 Year Secondary Trading Spreads (1/1/16-1/25/17, 500m+, 5%+ fixed coupon, Tax-Exempt)



Source: Bloomberg, TM3

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II. PART D AND RELATED ATTACHMENTS

D. SPECIFICATIONS/QUALIFICATIONS/STATEMENT OF WORK

D.1. GOAL: The Tollway seeks to select: (i) a **"Senior Pool"** of up to fourteen (14) firms to serve, on an as-needed basis as determined and assigned by the Tollway as described in Section B.7, as Senior Managing Underwriter or Co-Senior Managing Underwriter on Tollway bond issues; and (ii) a **"Co-Manager Pool"** of up to fifteen (15) firms to serve, on an as-needed basis as determined and assigned by the Tollway as described in Section B.7, as Co-Manager on Tollway bond issues, both for an initial term of three years with renewal options for up to an additional two years. Inclusion in either of the pools described above does not guarantee participation in any or all Tollway bond financings. The Tollway may, in its sole discretion, remove any member from either pool or discontinue the pools in their entirety.

D.2. SUPPLIES AND/OR SERVICES REQUIRED:

(1) Firms in the Senior Pool must be able to provide the following services.

A Senior Managing Underwriter of a bond issue must be able to perform the following duties: book runner; leader of the underwriting syndicate; pricing coordinator; lead marketer of the bond issue; structuring the financing (in consultation with the Tollway's financial/municipal advisor(s), if any, and Tollway management / staff); review all documentation related to the bond issuance; compliance with disclosure standards; investor liaison; preparation of rating materials and presentations; and all other services conventional for a senior managing underwriter.

A Co-Senior Managing Underwriter must be able to be a co-leader of the underwriting syndicate; assist, as may be requested by the Tollway, with the structuring of the financing and review of documentation; assist the Senior Managing Underwriter(s) with the marketing of the issue; and provide any other services conventional roles for a Co-Senior Managing Underwriter. The Co-Senior Managing Underwriter is expected to be integral to the transaction and participate in any aspects of the financing as determined to be necessary by the Tollway.

In addition to duties specific to bond issuances to which firms are assigned, firms in the Senior Pool are expected to keep the Tollway informed of fixed income market conditions, especially with respect to the municipal bond market, and other matters pertinent to public finance, and to meet with the Tollway at least once annually to provide detailed consideration of and recommendations regarding items the Vendor considers pertinent to the Tollway. Firms in the Senior Pool are eligible to provide remarketing services for Tollway bond issues that have variable interest rates.

(2) Firms in the Co-Manager Pool must be able to provide the following services.

The Co-Managing Underwriter must be able to assist in the marketing of the bond issue and to provide discrete "niches" in the marketing of the bonds. The Co-Manager's primary responsibility is to broaden the market for the Tollway's bonds in order to help ensure that the Tollway achieves the lowest possible interest cost on its bond issues. Co-Managers may be required to take part in one or more Underwriting Syndicate meetings in the weeks before the expected bond pricing and to submit marketing plans and estimated interest rate scales in the days before the expected bond pricing.

D.3. MILESTONES AND DELIVERABLES:

The current projection of Tollway new money bond issuance during 2017 – 2021 is listed below. **<u>This projection is subject to change.</u>**

YEAR	ESTIMATED NEW MONEY BOND ISSUANCE
2017	$300,000,000
2018	$400,000,000
2019	$200,000,000
2020	$200,000,000
2021	$500,000,000

The number and amounts of any refinancings will depend on market conditions and other factors. Two series of bonds will become callable at par during 2017-2021: (i) all $279.3M of Series 2010A-1; and (ii) a $100M portion of Series 2009A. Significant amounts of other bonds may be refunded during 2017-2021, depending on market conditions and other factors. The amount and extent of any derivatives transactions is unknown. The Tollway has used interest rate swap agreements in the past to manage the financing costs of large/lengthy capital programs and to obtain financing at a synthetic fixed interest rate below what was then-available at a traditional fixed interest rate.

Please access the Tollway's website (www.illinoistollway.com) for information on the Move Illinois Program and the Tollway's financial condition, including its debt portfolio. Additional information on Tollway debt may be found on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA").

D.4. OFFEROR / STAFF SPECIFICATIONS:

The Offeror must be registered, and remain registered and in good standing, as a broker dealer with the Municipal Securities Rulemaking Board. The Offeror and assigned personnel must remain current with any ongoing requirements to maintain registration.

D.5. TRANSPORTATION AND DELIVERY TERMS: not applicable

D.6. SUBCONTRACTING

D.6.1. Subcontractors are not allowed. A subcontractor is a person or entity that enters into a contractual agreement with a total value of $50,000 or more with a person or entity who has a contract subject to the Illinois Procurement Code pursuant to which the person or entity provides some or all of the goods, services, real property, remuneration, or other monetary forms of consideration that are the subject of the primary State contract, including subleases from a lessee of a State contract. If subcontractors are to be utilized, Offeror must identify subcontractors expected to receive $50,000 or more annually under the contract and disclose the expected amount of money each will receive in the Subcontractor Disclosure form found in Section 3 Part I.

D.6.2. The Offeror shall notify the State of any additional or substitute subcontractors hired during the term of the contract. If required, Offeror shall provide the State a copy of all such subcontracts within fifteen (15) days after execution of the contract or the subcontract, whichever occurs later.

D.6.3. Any subcontracts entered into prior to award of the contract are done at the sole risk of the Offeror and subcontractor(s).

D.7. WHERE SERVICES ARE TO BE PERFORMED

D.7.1. Unless otherwise disclosed in this section, all services shall be performed in the United States. This information and the economic impact on Illinois and its residents may be considered in the evaluation. If the Offeror performs the services purchased hereunder in another country in violation of this provision, such action may be deemed by the State as a breach of the contract by Offeror.

D.7.2. Offeror shall disclose the locations where the services required shall be performed and the known or anticipated value of the services to be performed at each location. If the Offeror received additional consideration in the evaluation based on work being performed in the United States, it shall be a breach of contract if the Offeror shifts any such work outside the United States.

D.7.3. Location where services will be performed: Chicago, New York, and Philadelphia

D.7.4. Percentage of contract of services performed at this location: Chicago & New York: 80%, Philadelphia: 20%

D.8. OFFEROR'S PROPOSED SOLUTION TO MEET THE STATE'S REQUIREMENTS (Packet 1): Please respond in the following prescribed format:

The Proposal volumes shall be organized and formatted in separately bound volumes (using three-ring or loose-leaf binders). All hardcopies shall be submitted on 8.5-inch by 11-inch paper. Legibility, clarity, and completeness are essential. Any page limits must be strictly adhered to. Respondents are advised to adhere to the submittal requirements of this RFP. Failure to comply with the instructions of this RFP may be cause for rejection of a non-compliant proposal. Offerors are encouraged to provide adequate details for any request for information as noted in this RFP.

The Offeror shall tab and title the sections of their response as noted below. **PAGE LIMIT: The sum of the pages in Tabs 3, 4, 5 and 6 may not exceed 17 pages – exceeding the page limit may result in disqualification.** Proposal scoring will be based on the Respondent's submittal for the following elements:

Tab 1 - Table of Contents: The Offeror shall include a table of contents in its Offer. Offers shall be page numbered sequentially from front to back.

Tab 2 - Transmittal Letter: An individual authorized to legally bind the Offeror shall sign the transmittal letter. The person who signs the transmittal letter will be considered the contact person for all matters pertaining to the Offer unless the Offeror designates another person as such contact in the letter. The letter shall include the Offeror's mailing address, e-mail address, fax number and telephone number.

Any request for confidential treatment of information shall be included in the transmittal letter in addition to the specific statutory basis supporting the request, an explanation of why disclosure of the information is not in the best interest of the public, and the specific basis in the Illinois Freedom of Information Act (5 ILCS 140/7) for the exemption from disclosure of such information. The transmittal letter shall also contain the name, address, email address, and telephone number of the individual authorized to respond to the Illinois Tollway about the confidential nature of the information.

Tab 3 - Executive Summary: The Offeror shall prepare an Executive Summary that includes statements that: (i) identify whether the Offeror is responding for the Senior Pool or the Co-Manager Pool **(RESPONDENTS MAY NOT APPLY TO BOTH POOLS)**; (ii) demonstrate the Offeror understands the services specified in the RFP; (iii) the Offeror is registered and in good standing as a broker dealer with the Municipal Securities Rulemaking Board; (iv) the Offeror will agree with Section 3 F "Standard Terms and Conditions" and that any exceptions to such agreement are included in Section 3 G; and (iv) provide a brief (one paragraph) overview of qualifications.

Tab 4 – Experience/Qualifications: Please note that for questions or information requests related to personnel, applicants to the Senior Pool must provide information on personnel related to all aspects of public finance (deal origination, underwriting, marketing), whereas applicants to the Co-Manager Pool may provide information limited to marketing and distribution. Personnel will be evaluated by their length of experience in the industry, experience with transportation and large governmental issuers, and other experience deemed relevant for the pool for which you applied, and references to the extent obtained.

Tab 4(a) Experience/Qualifications of the Firm

- Identify: the location of the firm headquarters and the principal place(s) of business related to public finance; the locations and number of employees of each of the public finance offices and underwriting desks located in the United States; and the number of U.S. Sales professionals, differentiating between retail and institutional. For purposes of the Senior Pool, a Chicago-area public finance office is preferred.
- Provide a brief overview of your firm including its business operations, organizational structure, and total number of employees.
- Indicate if your firm is a minority, female, veterans or disabled – owned business enterprise.
- Provide a listing of your transportation clients within the past three years, noting the services provided.
- Provide a listing of up to five additional clients for which you have served as senior managing underwriter, co-senior managing underwriter, or co-managing underwriter that you deem particularly representative of the services requested by this RFP for the pool for which you have applied.
- Please describe your firm's underwriting experience for tax-exempt obligations of issues of $100 million or more of transportation revenue bonds from January 1, 2014 to present in tabular form. Include, at a minimum, the issuer, sale date, size of issue, security (e.g. toll road revenue, sales tax revenue), interest rate type (fixed/variable), issuer credit ratings at the time of issue, your firm's role and your firm's percentage of takedown compensation. Limit this list to the thirty (30) transactions you deem most representative of your abilities to provide the services requested by this RFP for the pool for which you have applied. To the extent your list, when limited to transportation revenue bonds, is less than thirty (30) transactions, you may list other transactions you deem representative of your firm's abilities to provide the services requested for the pool for which you have applied. *This list requested in this Tab 4(a) may be included in Tab 9 without counting against the page limit for Tabs 3-6.*

Tab 4(b) Experience/Qualifications of Personnel

- Identify the firm representative who would be directly responsible for overseeing this engagement.
- Provide a staffing plan listing the individuals who would be assigned to the Tollway. In summary form, list their name, title, engagement role, office location, time with the firm, and summarize their qualifications and experience. Key personnel's relevant experience at prior firms may be included. Information relating to personnel responsible for marketing the Bonds may be provided on an aggregate rather than an individual basis. The respondent may (but is not required to) divide such aggregate information into sub-categories (e.g. institutional vs retail, tax-exempt vs. taxable, geographically, etc.). Information relating to marketing personnel should be accompanied by narrative describing the plan for utilizing such marketing personnel and how the respondent's marketing resources provide value to the Tollway in the context of the pool for which the respondent is applying. *Note, resumes of key personnel may be attached in Tab 9 without counting towards the 17-page limit for response to Tabs 3-6.*
- The Offeror shall provide references for three transactions within the past twelve months for which: (a) the Offeror served as bond underwriter; and (b) the primary contact person designated in the Transmittal Letter served as the primary contact for the Offeror. If the primary contact designated in the Transmittal Letter has not worked on three such transactions, then other transactions for which the Offeror served as bond underwriter may be included. Submit references per the form included in Section 3, Part J. *The references may be included in Tab 9 without counting against the 17-page limit for response to Tabs 3-6.* The Tollway may contact one or more of these references for each Offeror and reserves the right to contact additional references, and information from such references may be factored into scoring.

Planned Changes: Describe any potential or planned changes or initiatives that, in the next twelve months, could significantly change any of the information provided regarding the firm and its personnel. Include any plans for significant restructuring of staff. The Tollway reserves the right to reconsider award if, subsequent to award, there are changes related to key personnel.

Tab 5 – Financial Capacity

The Tollway will allocate up to 10 points to financial capacity for applicants to the Senior Pool and up to 5 points for applicants to the Co-Manager Pool. In addition to the information requested below, the Tollway may consider information from the Offeror's financial statements and/or credit rating agencies in assessing financial capacity.

Provide your firm's total capital and uncommitted excess net capital as of each of the most recent quarter ends available and the most recent two fiscal year ends available. As of each of those dates, specify any limitations that existed on utilizing such capital for public finance.

Tab 6 - Technical Approach

Tab 6(a) – Technical Approach – Structuring (<u>only Senior Pool applicants to respond</u>)

- Identify and describe recommendations and strategies your firm would propose to best position the Tollway to achieve a favorable cost of borrowing during the years 2017-2021 on its estimated

$1.6 billion of projected new money bond issuance (per the schedule included in section D.3 of this RFP). Describe any challenges you foresee with respect to your recommendations.

- Provide refunding recommendations and other strategies for managing the Tollway's bond portfolio during the next five years, including regarding the Tollway's $1.2 billion of variable rate bonds, all of which are swapped to synthetic fixed rate. Information on the Tollway's bond portfolio can be found on the Tollway's website (http://www.illinoistollway.com/) or the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (http://emma.msrb.org/).
- Provide descriptions of two or three recent examples of municipal financings that demonstrate your firm's creative skills and services for the benefit of its municipal clientele, as relating to the structuring and underwriting of a bond financing.
- Assuming your firm was the lead (bookrunning) Senior Managing Underwriter on an Illinois Tollway bond issue, provide your firm's ideas on how best to conduct a negotiated sale. For purposes of this response, assume a $300 million senior lien fixed rate bond issue with maturities in years 15-25. You may include recommendations on the optimal size of the underwriting group, including the number of senior managing underwriters, co-senior managing underwriters and co-managing underwriters, and recommendations for supporting fair allocations among members of the underwriting group.

Tab 6(b) – Technical Approach – Marketing

Provide a marketing plan for Tollway bonds, assuming a $300 million senior lien fixed rate bond issue with maturities in years 15-25, which capitalizes on your firm's marketing strengths to help broaden the market for the Tollway's bonds. This should include information on your distribution capabilities and identification of types (and names if possible) of key potential buyers that you would approach. Your discussion should include how you would deploy your retail (if/as applicable) and institutional sales distribution capabilities and a description of the investor base you feel should be targeted and strategies on how to reach those investors. This information should demonstrate how your firm will reach buyers that broaden the market for the Tollway's bonds, helping to ensure that the Tollway obtains the lowest possible interest rate. Topics may include issues regarding bond structure to the extent impactful on marketing efforts, bond ratings considered most beneficial to marketing efforts, credit rating strategies, investor marketing strategies, investor presentations and frequency of roadshows, timing of printing, sale and closing, and any other matters the Offeror deems pertinent to the marketing and sale of the bonds. Provide examples of bond issues for which the competitive strengths that you would ascribe to your bond sales area benefitted the transaction.

Any deviation from the service requirements or any requirements that the Offeror cannot satisfy may affect evaluation of the Offer and may disqualify the Offeror. A response such as, "We will meet or exceed the requirements" without any details of how the requirement will be met may not be considered an acceptable response and may be scored accordingly.

Tab 7 - Financials: The Offeror shall provide the last three (3) most recent Year End Financial Statements.

Tab 8 - Pricing: Pricing **must** be submitted separately. **Include a page as a placeholder. For applicants to the Senior Pool, include on the placeholder page: "Pricing submitted separately in a separate, sealed envelope with disc or USB in Packet #2." For applicants to the Co-Manager Pool, include on the placeholder page: "Applicant to Co-Manager Pool – Pricing not required."**

Tab 9 - Deal Lists, Resumes and References: Deal Lists requested for Tab 4(a) and Resumes and References requested for Tab 4(b) may be included in this Tab 9 without counting against the 17-page limit for Tabs 3-6.

Include Part D and related attachments in Packet 1

PNC

Packet 3 – Offer

Response to Request for Proposal for Bond Underwriting Services

IPB #22039948

The Illinois State Toll Highway Authority

February 3, 2017

INTEGRITY. INNOVATION. INSIGHT.

One North Franklin – 29th Floor
Chicago, IL 60606

Primary Contacts

Elizabeth Coolidge
Managing Director
312-338-2262
elizabeth.coolidge@pnc.com

Eric Golynsky
Director
212-752-6103
eric.golynsky@pnc.com

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C. Project Title / Reference #22039948: Bond Underwriting Services, RFP #16-0155

The undersigned authorized representative of the identified Offeror hereby submits this Offer to perform in full compliance with the subject solicitation. By completing and signing this Form, the Offeror makes an Offer to the State of Illinois that the State may accept.

Offeror should use this Form as a final check to ensure that all required documents are completed and included with the Offer. Offeror must mark each blank below as appropriate; mark N/A when a section is not applicable to this solicitation. Offeror understands that failure to meet all requirements is cause for disqualification.

C.1. SOLICITATION AND CONTRACT REVIEW: Offeror reviewed the Request for Proposal, including all referenced documents and instructions, completed all blanks, provided all required information, and demonstrated how it will meet the requirements of the State of Illinois.

☒ Yes ☐ No

C.2. ADDENDA: Offeror acknowledges receipt of any and all addenda to the solicitation and has taken those into account in making this Offer.

☒ Yes ☐ No ☐ N/A

C.3. OFFEROR CONFERENCE: If attendance was mandatory, Offeror attended the Offeror's Conference.

☐ Yes ☐ No ☒ N/A

C.4. OFFER SUBMISSION: Offeror is submitting the correct number of copies, in a properly labeled container(s), to the correct location, and by the due date and time.

☒ Yes ☐ No

C.5. FORMS A or FORMS B: Offeror is properly submitting either Forms A or Forms B, but not both.

☒ Yes ☐ No

C.6. BOND: If applicable, Offeror is submitting its Bid Bond or Performance Bond.

☐ Yes ☐ No ☒ N/A

C.7. SMALL BUSINESS SET-ASIDE: Offeror is a qualified small business in the Small Business Set-Aside Program at the time Offers are due.

☐ Yes ☐ No ☒ N/A

C.8. PACKET 1 – SPECIFICATIONS/QUALIFICATIONS/STATEMENT OF WORK

☒ Yes ☐ No

C.8.1	Offeror's Proposed Solution to Meet the State's Requirements	☒ Yes ☐ No
C.8.2	Milestones and Deliverables	☒ Yes ☐ No
C.8.3	Offeror/Staff Specifications	☒ Yes ☐ No
C.8.4	Transportation and Delivery Terms	☐ Yes ☐ No ☒ N/A
C.8.5	Where Services Are to Be Performed	☒ Yes ☐ No ☐ N/A

C.9. PACKET 2 – PRICING

☒ Yes ☐ No

C.10. PACKET 3 – OFFER

☒ Yes ☐ No

C.10.1	Offer	☒ Yes ☐ No
C.10.2	Exceptions to Solicitation Contract Terms and Conditions	☒ Yes ☐ No ☐ N/A
C.10.3	Supplemental Provisions	☒ Yes ☐ No ☐ N/A
C.10.4	Subcontractor Disclosures	☒ Yes ☐ No ☐ N/A
C.10.5	References	☒ Yes ☐ No ☐ N/A

C.11. PACKET 4 – FORMS A

☒ Yes ☐ No

C.11.1	Business and Directory Information	☒ Yes ☐ No
C.11.2	Illinois Department of Human Rights Public Contracts Number	☒ Yes ☐ No
C.11.3	Authorized to do Business in Illinois	☒ Yes ☐ No
C.11.4	Standard Certifications	☒ Yes ☐ No
C.11.5	State Board of Elections	☒ Yes ☐ No
C.11.6	Disclosure of Business Operations in Iran	☒ Yes ☐ No
C.11.7	Financial Disclosures and Conflicts of Interest	☒ Yes ☐ No
C.11.8	Taxpayer Identification Number	☒ Yes ☐ No

C.12. PACKET 4 – FORMS B

☐ Yes ☒ No

C.12.1	Illinois Procurement Gateway Registration # with expiration date	☐ Yes ☐ No
C.12.2	Certifications Timely to this Solicitation	☐ Yes ☐ No
C.12.3	Replacement Certification to IPG Certification #6 (supersedes response in IPG)	☐ Yes ☐ No
C.12.4	Disclosure of Lobbyists for Bidder and parent entity(ies)	☐ Yes ☐ No
C.12.5	Disclosure of current and pending contract	☐ Yes ☐ No
C.12.6	Signature	☐ Yes ☐ No
C.12.7	Taxpayer Identification Number	☐ Yes ☐ No

C.13. PACKET 5 – REDACTED OFFER

☐ Yes ☒ No

C.14. PACKET 6 – BEP UTILIZATION PLAN

C.14.1	Does this solicitation contain a BEP goal?	☐ Yes ☒ No
C.14.2	Minorities, Females, Persons with Disabilities Participation and Utilization Plan	☐ Yes ☒ No ☐ N/A

C.15. PACKET 7 – VSB UTILIZATION PLAN

C.15.1	Does this solicitation contain a VSB goal?	☐ Yes ☒ No
C.15.2	Veteran Small Business Participation and Utilization Plan	☐ Yes ☒ No ☐ N/A

C.16. PREFERENCES

The Illinois Procurement Code provides various preferences to promote business opportunities in Illinois.

Does Offeror make any claims for preferences? If so, please mark the applicable preference(s) and include a listing of the items that qualify for the preference at the end of this Section and a description of why the preference applies. Agency reserves the right to determine whether the preference indicated applies to Offeror.

☐ Resident Bidder (30 ILCS 500/45-10).

☐ Soybean Oil-Based Ink (30 ILCS 500/45-15).

☐ Recycled Materials (30 ILCS 500/45-20).

☐ Recycled Paper (30 ILCS 500/45-25).

☐ Environmentally Preferable Supplies (30 ILCS 500/45-26).

☐ Correctional Industries (30 ILCS 500/45-30).

☐ Sheltered Workshops for the Severely Handicapped (30 ILCS 500/45-35).

☐ Gas Mileage (30 ILCS 500/45-40).

☐ Small Businesses (30 ILCS 500/45-45).

☐ Illinois Agricultural Products (30 ILCS 500/45-50).

☐ Corn-Based Plastics (30 ILCS 500/45-55).

☐ Disabled Veterans (30 ILCS 500/45-57).

☐ Vehicles Powered by Agricultural Commodity-Based Fuel (30 ILCS 500/45-6)

☐ Biobased Products (30 ILCS 500/45-75).

☐ Historic Preference Area (30 ILCS 500/45-80).

☐ Procurement of Domestic Products (30 ILCS 517).

☐ Public Purchases in Other States (30 ILCS 520).

☐ Illinois Mined Coal (30 ILCS 555).

☐ Steel Products Procurement (30 ILCS 565).

☐ Business Enterprise for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575).

☐ Veterans Preference (330 ILCS 55).

Items that Qualify and Explanation: N/A

Signature of Authorized Representative: [redacted]

Printed Name of Signatory: Elizabeth Coolidge

Offeror's Name: PNC Capital Markets LLC

Date: 1/31/2017

CERTIFICATION

The undersigned, Shannon L. McDowell, Assistant Secretary of PNC Capital Markets LLC, a Pennsylvania limited liability company (the "Company"), hereby certifies as follows:

1. The following is a true and correct copy of an excerpt from the Amended and Restated Operating Agreement for the Company, dated as of May 4, 2016, which agreement has not been amended, modified, supplemented or terminated as of the date hereof.

2. The person listed below holds the office set forth opposite her name.

Elizabeth Coolidge	Senior Vice President/Managing Director II

3. As such officer, in accordance with such Sections of the afore-mentioned agreement, the person listed above is authorized, in the name and on behalf of the Company, to execute any and all agreements, certifications and other documents as he/she may deem necessary or appropriate in connection with the business of the Company.

Article 4
Officers

4.1 Designation. The officers of the Company shall be a President, a Secretary and a Treasurer and such other officers and assistant officers as the Board of Managers may authorize. Officers shall be appointed by the Board of Managers. When an officer of the Company ceases to be employed by The PNC Financial Services Group, Inc. or any subsidiary or affiliated entity thereof, they cease to be an officer of the Company as of their final date of employment.

4.2 President. The President shall be the chief executive officer of the Company and shall have general supervision of the operations of the Company and of the other officers, agents and employees and shall be ex officio a member of all committees; he shall have all the administrative powers and duties that are usually incident to the office of the President of a corporation, and shall have such other duties as may be assigned to him from time to time by the Board of Managers. The President shall preside at the meetings of the Board of Managers, and of the Executive Committee unless some other person shall be appointed by the Board of Managers.

4.3 Vice Presidents. The Vice Presidents, if such are elected, shall have the duties and powers as may from time to time be assigned to them by the Board of Managers or by the President in the absence of any assignment by the Board of Managers.

4.4 Treasurer. The Treasurer shall be responsible for all moneys, funds, securities, fidelity and indemnity bonds and other valuables belonging to the Company, shall cause to be kept proper records of the transactions of the Company, and shall perform such other duties as may be assigned to him from time to time by the Board of Managers or the President.

4.5 Secretary. The Secretary shall attend the meetings of the Board of Managers, and of the Executive Committee and shall keep minutes thereof in suitable minute books. He shall have charge of the Company's records and papers. He shall give notices of all meetings of the Board of Managers and of special meetings of the Executive Committee. He shall have such other duties as the Board of Managers or the President shall assign to him.

4.6 Comptroller. The Comptroller, if a Comptroller is elected, shall be the chief accounting officer and shall supervise systems and accounting records and shall be responsible for the preparation of financial reports.

4.7 Auditor. The Auditor, if an Auditor is elected, shall have charge of auditing the books, records and accounts. He shall report directly to the Board of Managers or a committee thereof.

4.8 Assistant Officers. Each assistant officer as shall be elected shall assist in the performance of the duties of the officer to whom he is assistant and shall perform such duties in the absence of the officer. He shall perform such additional duties as the Board of Managers, the President, or the officer to whom he is assistant, may from time to time assign to him.

4.9 General Powers of Officers. The President, any Vice President, the Treasurer, the Secretary or any Assistant Secretary and any other officers or agents authorized by the Board of Managers are and each of them acting alone is hereby authorized and empowered:

(a) To sell, assign and transfer any and all loans, shares of stock, bonds or other personal property standing in the name of the Company or held by the Company either in its own name or in any fiduciary capacity or as agent;

(b) To assign and transfer any and all registered bonds of the United States or its instrumentalities and the bonds of any state, city, county, borough or other municipality and the bonds of any corporation and to execute requests for payment or reissue of any such bonds that may be issued now or hereafter and held by the Company in its own right or in any fiduciary capacity or as agent;

(c) To sell at public or private sale, lease, mortgage or otherwise dispose of, for such price or prices and upon such terms and conditions as may be deemed advisable, any real estate or any interest therein now held or which may be hereafter acquired or held by the Company in its own right or in any fiduciary capacity or as agent; and for and on behalf of the Company and as its act and deed to execute and deliver any conveyances of any such real estate, agreements, contracts, bills of sale, assignments of mortgages, judgments, claims, powers of attorney or other instruments which may be necessary in relation to any estate or property, real or personal, standing in the name of this Company in its own right or in any fiduciary capacity or as agent and to acknowledge the same before any person having authority to take such acknowledgments on such instruments to the extent that they may be duly recorded;

(d) To pledge any assets of the Company, to receive and receipt for any sums of money or property due or owing to this Company in its own right or in any fiduciary capacity or as agent and to execute any instrument or satisfaction therefor or of any mortgage, judgment or other lien of record;

(e) To execute and deliver any and all deeds, contracts, agreements, leases, conveyances, bills of sale, petitions, writings, instruments, releases, acquittances and obligations necessary in the exercise of the corporate powers of the corporation;

(f) To sign or countersign checks, drafts, acceptances, promissory notes, and correspondence and other papers or documents;

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this 19th day of January, 2017.

[redacted]

Shannon L. McDowell

SECTION 3.

F.1. TERM AND TERMINATION:

1.1. TERM OF THIS CONTRACT: This contract has an initial term of three (3) years. If a start date is not identified, then the term shall commence upon the last dated signature of the Parties.

1.1.1. In no event will the total term of this contract, including the initial term, any renewal terms and any extensions, exceed ten (10) years.

1.1.2. Vendor shall not commence billable work in furtherance of this contract prior to final execution of this contract except when permitted pursuant to 30 ILCS 500/20-80.

1.2. RENEWAL: Subject to the maximum total term identified above, the State has the option to renew for the following term(s): up to two years, in any combination of full or partial year terms.

1.2.1. Pricing for the renewal term(s), or the formula for determining price, is shown in the pricing section of this contract.

1.2.2. Any renewal of this contract is subject to the same terms and conditions as apply to the initial term of this contract unless otherwise provided in the pricing section. The State may renew this contract for any or all of the option periods specified, may exercise any of the renewal options early, and may exercise more than one option at a time based on continuing need and favorable market conditions, when in the best interest of the State. This contract may neither renew automatically nor renew solely at the Vendor's option.

1.3. TERMINATION FOR CAUSE: The State may terminate this contract, in whole or in part, immediately upon notice to the Vendor if: (a) the State determines that the actions or inactions of the Vendor, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) the Vendor has notified the State that it is unable or unwilling to perform this contract.

If Vendor fails to perform any material requirement of this contract to the State's satisfaction, is in violation of a material provision of this contract, or the State determines that the Vendor lacks the financial resources to perform the contract, then the State shall provide written notice to the Vendor to cure the problem identified within the period of time specified in the State's written notice. If not cured by that date the State may either: (a) immediately terminate this contract without additional written notice or (b) enforce the terms and conditions of this contract.

For termination due to any of the causes contained in this Section, the State retains its rights to seek any available legal or equitable remedies and damages.

1.4. TERMINATION FOR CONVENIENCE: The State may, for its convenience and with thirty (30) days' prior written notice to Vendor, terminate this contract in whole or in part and without payment of any penalty or incurring any further obligation to the Vendor.

1.4.1. Upon submission of invoices and proof of claim, the Vendor shall be entitled to compensation for supplies and services provided in compliance with this contract up to and including the date of termination.

1.5. AVAILABILITY OF APPROPRIATION: This contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if (1) the Illinois General Assembly or the Federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason (30 ILCS 500/20-60), (2) the Governor decreases the Agency's funding by reserving some or all of the Agency's appropriation(s) pursuant to power delegated to the Governor by the Illinois General Assembly, or (3) the Agency determines, in its sole discretion or as directed by the Office of the Governor, that a reduction is necessary or advisable based upon actual or projected budgetary considerations. Contractor will be notified in writing of the failure of appropriation or of a reduction or decrease.

F.2. PAYMENT TERMS AND CONDITIONS:

2.1. LATE PAYMENT: Payments, including late payment charges, will be paid in accordance with the State Prompt Payment Act and rules when applicable. 30 ILCS 540; 74 ILL. ADM. CODE 900. This shall be Vendor's sole remedy for late payments by the State. Payment terms contained in Vendor's invoices shall have no force or effect.

2.2. MINORITY CONTRACTOR INITIATIVE: Any Vendor awarded a contract of $1,000 or more under Section 20-10, 20-15, 20-25 or 20-30 of the Illinois Procurement Code (30 ILCS 500) is required to pay a fee of $15. The Comptroller shall deduct the fee from the first check issued to the Vendor under this contract and deposit the fee in the Comptroller's Administrative Fund. 15 ILCS 405/23.9.

2.3. EXPENSES: The State will not pay for supplies provided or services rendered, including related expenses, incurred prior to the execution of this contract by the Parties even if the effective date of this contract is prior to execution.

2.4. PREVAILING WAGE: As a condition of receiving payment Vendor must (i) be in compliance with this contract, (ii) pay its employees prevailing wages when required by law, (iii) pay its suppliers and subcontractors according to the terms of their respective contracts, and (iv) provide lien waivers to the State upon request. Examples of prevailing wage categories include public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services. The prevailing wages are revised by the Illinois Department of Labor (DOL)and are available on DOL's official website, which shall be deemed proper notification of any rate changes under this subsection. Vendor is responsible for contacting DOL at 217-782-6206 or (http://www.state.il.us/agency/idol/index.htm) to ensure understanding of prevailing wage requirements.

2.5. FEDERAL FUNDING: This contract may be partially or totally funded with Federal funds. If Federal funds are expected to be used, then the percentage of the goods/services paid using Federal funds and the total Federal funds expected to be used will be provided to the awarded Vendor in the notice of intent to award.

2.6. INVOICING: By submitting an invoice, Vendor certifies that the supplies or services provided meet all requirements of this contract, and the amount billed and expenses incurred are as allowed in this contract. Invoices for supplies purchased, services performed and expenses incurred through June 30 of any year must be submitted to the State no later than July 31 of that year; otherwise Vendor may be required to seek payment through the Illinois Court of Claims. 30 ILCS 105/25. All invoices are subject to statutory offset. 30 ILCS 210.

2.6.1. Vendor shall not bill for any taxes unless accompanied by proof that the State is subject to the tax. If necessary, Vendor may request the applicable Agency's Illinois tax exemption number and Federal tax exemption information.

2.6.2. Vendor shall invoice at the completion of this contract unless invoicing is tied in this contract to milestones, deliverables, or other invoicing requirements agreed to therein.

Send invoices to:

Agency:	Illinois Tollway
Attn:	Procurement
Address:	P O Box 3094
City, State Zip	Lisle, Illinois 60532-8094

F.3. **ASSIGNMENT:** This contract may not be assigned or transferred in whole or in part by Vendor without the prior written consent of the State.

F.4. **SUBCONTRACTING**: For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by this contract. Vendor must receive prior written approval before use of any subcontractors in the performance of this contract. Vendor shall describe, in an attachment if not already provided, the names and addresses of all authorized subcontractors to be utilized by Vendor in the performance of this contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor is expected to receive pursuant to this contract. If required, Vendor shall provide a copy of any subcontracts within fifteen (15) days after execution of this contract. All subcontracts must include the same certifications that Vendor must make as a condition of this contract. Vendor shall include in each subcontract the subcontractor certifications as shown on the Standard Certification form available from the State. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, then Vendor must promptly notify, by written amendment to the Contract, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to the Contract.

F.5. **AUDIT/RETENTION OF RECORDS**: Vendor and its subcontractors shall maintain books and records relating to the performance of this contract and any subcontract necessary to support amounts charged to the State pursuant this contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the Vendor for a period of three (3) years from the later of the date of final payment under this contract or completion of the contract, and by the subcontractor(s) for a period of three (3) years from the later of final payment under the term or completion of the subcontract. If Federal funds are used to pay contract costs, the Vendor and its subcontractors must retain their respective records for five (5) years. Books and records required to be maintained under this section shall be available for review or audit by representatives of: the procuring Agency/University, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Vendor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain books and records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this contract or any subcontract for which adequate books and records are not available to support the purported disbursement. The Vendor or subcontractors shall not impose a charge for audit or examination of the Vendor's or subcontractor's books and records. 30 ILCS 500/20-65.

F.6. **TIME IS OF THE ESSENCE**: Time is of the essence with respect to Vendor's performance of this contract. Vendor shall continue to perform its obligations while any dispute concerning this contract is being resolved unless otherwise directed by the State.

F.7. **NO WAIVER OF RIGHTS**: Except as specifically waived in writing, failure by a Party to exercise or enforce a right does not waive that Party's right to exercise or enforce that or other rights in the future.

F.8. **FORCE MAJEURE**: Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring Party may cancel this contract without penalty if performance does not resume within thirty (30) days after the declaration.

F.9. **CONFIDENTIAL INFORMATION**: Each Party to this contract, including its agents and subcontractors, may have or gain access to confidential data or information owned or maintained by the other Party in the course of carrying out its responsibilities under this contract. Vendor shall presume all information received from the State or to which it gains access pursuant to this contract is confidential. Vendor information, unless clearly marked as confidential and exempt from disclosure under the Illinois Freedom of Information Act, shall be considered public. No confidential data collected, maintained, or used in the course of performance of this contract shall be disseminated except as authorized by law and with the written consent of the disclosing Party, either during the period of this contract or thereafter. The receiving Party must return any and all data collected, maintained, created or used in the course of the performance of this contract, in whatever form it is maintained, promptly at the end of this contract, or earlier at the request of the disclosing Party, or notify the disclosing Party in writing of its destruction. The foregoing obligations shall not apply to confidential data or information lawfully in the receiving Party's possession prior to its acquisition from the disclosing Party that were received in good faith from a third-party not subject to any confidentiality obligation to the disclosing Party; that is now or later becomes publicly known through no breach of confidentiality obligation by the receiving Party; or that is independently developed by the receiving Party without the use or benefit of the disclosing Party's confidential information.

F.10. **USE AND OWNERSHIP**: All work performed or supplies created by Vendor under this contract, whether written documents or data, goods or deliverables of any kind, shall be deemed work-for-hire under copyright law and all intellectual property and other laws, and the State of Illinois is granted sole and exclusive ownership to all such work, unless otherwise agreed in writing. Vendor hereby assigns to the State all right, title, and interest in and to such work including any related intellectual property rights, and waives any and all claims that Vendor may have to such work including any so-called "moral rights" in connection with the work. Vendor acknowledges the State may use the work product for any purpose. Confidential data or information contained in such work shall be subject to the confidentiality provisions of this contract.

F.11. **INDEMNIFICATION**: The Vendor shall indemnify and hold harmless the State of Illinois, the Illinois State Tollway Highway Authority, its officers, employees, and agents from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements, and judgments, including in-house and contracted attorneys' fees and expenses, arising out of: (a) any breach or violation by Vendor of any of its certifications, representations, warranties, covenants or agreements; (b) any actual or alleged death or injury to any person, damage to any real or personal property, or any other damage or loss claimed to result in whole or in part from Vendor's negligent performance; (c) any act, activity or omission of Vendor or any of its employees, representatives, subcontractors or agents; or (d) any actual or alleged claim that the services or goods provided under this contract infringe, misappropriate, or otherwise violate any intellectual property (patent, copyright, trade secret, or trademark) rights of a third party.

F.12 **INSURANCE**: The Vendor shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work by the Vendor, his/her agents, representatives, employees or subcontractors. Work shall not commence until insurance required by this section has been obtained and documentation submitted to the Tollway for acceptance. All coverages must be with Insurance Companies with an A.M. Best Company financial strength rating of "A minus" or better. Insurance coverage shall not limit Vendor's obligation to indemnify, defend or settle any claims.

A. Minimum Scope of Insurance Coverage shall be at least as broad as:

1. Commercial General Liability coverage on an unmodified, Insurance Service Office "Occurrence" form, current edition or an alternative form providing equivalent protection.

2. Automobile Liability on an unmodified, Insurance Service Office form, current edition or an alternative form providing equivalent protection.

3. Worker's Compensation insurance as required by the State of Illinois and include Employers Liability.

B. Minimum Limits of Insurance Contractor or vendor shall maintain no less than:

1. Commercial General Liability: $1,000,000 each occurrence for bodily injury, personal injury, and property damage and $2,000,000 general aggregate and $2,000,000 products/completed operations aggregate .

2. Automobile Liability: $1,000,000 combined single limit per accident for bodily injury and property damage.

3. Worker's Compensation and Employers Liability: Statutory Limits with Employers Liability limit of not less than $500,000 per occurrence.

In addition to the above, the Vendor shall maintain, for the duration of the contract, professional liability insurance in an amount acceptable to the Tollway. Work shall not commence until documentation acceptable to the Tollway evidencing such professtional liability insurance has been provided.

The Illinois State Toll Highway Authority including all appointed officials and employees, shall be named "Additional Insured" as part of the commercial general liability and automobile liability coverage. This coverage shall be primary for the Additional Insured and not contributing with any other insurance or similar protection available to the Additional Insured, whether said other coverage be primary, contributing or excess.

All deductibles or self-insured retentions must be declared and recognized by the Authority. Proof of insurance shall include originals of the applicable "additional insured" endorsements for approval of the Authority. Any failure by the Authority to request proof of insurance will not waive the requirement of maintenance of minimum protection specified.

F.13 **INDEPENDENT CONTRACTOR**: Vendor shall act as an independent contractor and not an agent or employee of, or joint venturer with the State. All payments by the State shall be made on that basis.

F.14 **SOLICITATION AND EMPLOYMENT**: Vendor shall not employ any person employed by the State during the term of this contract to perform any work under this contract. Vendor shall give notice immediately to the Agency's director or University's president if Vendor solicits or intends to solicit State employees to perform any work under this contract.

F.15 COMPLIANCE WITH THE LAW: The Vendor, its employees, agents, and subcontractors shall comply with all applicable Federal, State, and local laws, rules, ordinances, regulations, orders, Federal circulars and all license and permit requirements in the performance of this contract. Vendor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes. Vendor shall obtain at its own expense, all licenses and permissions necessary for the performance of this contract.

F.16 BACKGROUND CHECK: Whenever the State deems it reasonably necessary for security reasons, the State may conduct, at its expense, criminal and driver history background checks of Vendor's and subcontractor's officers, employees or agents. Vendor or subcontractor shall immediately reassign any individual who, in the opinion of the State, does not pass the background checks.

F.17 APPLICABLE LAW:

17.1 PREVAILING LAW: This contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois.

17.2 EQUAL OPPORTUNITY: The Department of Human Rights' Equal Opportunity requirements are incorporated by reference. 44 ILL. ADM. CODE 750.

17.3 COURT OF CLAIMS; ARBITRATION; SOVEREIGN IMMUNITY: Any claim against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1. The State shall not enter into binding arbitration to resolve any dispute arising out of this contract. The State of Illinois does not waive sovereign immunity by entering into this contract.

17.4 OFFICIAL TEXT: The official text of the statutes cited herein is incorporated by reference. An unofficial version can be viewed at (www.ilga.gov/legisl18ation/ilcs/ilcs.asp).

F.18 ANTI-TRUST ASSIGNMENT: If Vendor does not pursue any claim or cause of action it has arising under Federal or State antitrust laws relating to the subject matter of this contract, then upon request of the Illinois Attorney General, Vendor shall assign to the State all of Vendor's rights, title and interest in and to the claim or cause of action.

F.19 CONTRACTUAL AUTHORITY: The Agency/University that signs this contract on behalf of the State of Illinois shall be the only State entity responsible for performance and payment under this contract. When the Chief Procurement Officer or authorized designee or State Purchasing Officer signs in addition to an Agency/University, he/she does so as approving officer and shall have no liability to Vendor. When the Chief Procurement Officer or authorized designee or State Purchasing Officer signs a master contract on behalf of State agencies, only the Agency/University that places an order or orders with the Vendor shall have any liability to the Vendor for that order or orders.

F.20 NOTICES: Notices and other communications provided for herein shall be given in writing via electronic mail whenever possible. If transmission via electronic mail is not possible, then notices and other communications shall be given in writing via registered or certified mail with return receipt requested, via receipted hand delivery, via courier (UPS, Federal Express or other similar and reliable carrier), or via facsimile showing the date and time of successful receipt. Notices shall be sent to the individuals who signed this contract using the contact information following the signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either Party may change its contact information.

F.21 MODIFICATIONS AND SURVIVAL: Amendments, modifications, and waivers must be in writing and signed by authorized representatives of the Parties. Any provision of this contract officially declared void, unenforceable, or against public policy, shall be ignored and the remaining provisions shall be interpreted, to the extent possible, to give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive termination. In the event of a conflict between the State's and the Vendor's terms, conditions and attachments, the State's terms, conditions, and attachments shall prevail.

F.22 **PERFORMANCE RECORD/SUSPENSION**: Upon request of the State, Vendor shall meet to discuss performance or provide contract performance updates to help ensure proper performance of this contract. The State may consider Vendor's performance under this contract and compliance with law and rule to determine whether to continue this contract, whether to suspend Vendor from doing future business with the State for a specified period of time, or whether Vendor can be considered responsible on specific future contract opportunities.

F.23 **FREEDOM OF INFORMATION ACT**: This contract and all related public records maintained by, provided to, or required to be provided to the State are subject to the Illinois Freedom of Information Act notwithstanding any provision to the contrary that may be found in this contract. 5 ILCS 140.

F.24 **SCHEDULE OF WORK**: Any work performed on State premises shall be performed during the hours designated by the State and performed in a manner that does not interfere with the State and its personnel.

F.25 **WARRANTIES FOR SUPPLIES AND SERVICES**

25.1 Vendor warrants that the supplies furnished under this contract will: (a) conform to the standards, specifications, drawings, samples or descriptions furnished by the State or furnished by the Vendor and agreed to by the State, including but not limited to all specifications attached as exhibits hereto; (b) be merchantable, of good quality and workmanship, and free from defects for a period of twelve months or longer if so specified in writing, and fit and sufficient for the intended use; (c) comply with all Federal and State laws, regulations, and ordinances pertaining to the manufacturing, packing, labeling, sale, and delivery of the supplies; (d) be of good title and be free and clear of all liens and encumbrances and; (e) not infringe any patent, copyright or other intellectual property rights of any third party. Vendor agrees to reimburse the State for any losses, costs, damages or expenses, including without limitation, reasonable attorneys' fees and expenses arising from failure of the supplies to meet such warranties.

25.2 Vendor shall ensure that all manufacturers' warranties are transferred to the State and shall provide to the State copies of such warranties. These warranties shall be in addition to all other warranties, express, implied, or statutory, and shall survive the State's payment, acceptance, inspection, or failure to inspect the supplies.

25.3 Vendor warrants that all services will be performed to meet the requirements of this contract in an efficient and effective manner by trained and competent personnel. Vendor shall monitor the performance of each individual and shall immediately reassign any individual who does not perform in accordance with this contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the contract or State policies.

F.26 **REPORTING, STATUS AND MONITORING SPECIFICATIONS:**

26.1 Vendor shall immediately notify the State of any event that may have a material impact on Vendor's ability to perform this contract.

26.2 By August 31 of each year, Vendor shall report to the Agency or University the number of qualified veterans and certain ex-offenders hired during Vendor's last completed fiscal year. For the purposes of this section, qualified veteran is defined in 30 ILCS 500/45-67 and ex-offender is defined in 30 ILCS 500/45-70.

F.27 **EMPLOYMENT TAX CREDIT**: Vendors who hire qualified veterans and certain ex-offenders may be eligible for tax credits. 35 ILCS 5/216, 5/217. Please contact the Illinois Department of Revenue (telephone #: 217-524-4772) for information about tax credits.

STATE OF ILLINOIS

EXCEPTIONS TO SOLICITATION AND CONTRACT TERMS AND CONDITIONS

G. PNC Capital Markets LLC agrees with the terms and conditions set forth in the State of Illinois Request for Proposal (Reference Number: RFP #16-0155 Bond Underwriting Services IPB Reference #: 22039948), including the standard terms and conditions, Illinois Tollway's supplemental provisions, certifications, and disclosures, with the following exceptions:

	Excluding certifications required by statute to be made by the Offeror, both Parties agree that all of the duties and obligations that the Offeror owes to Tollway for the work performed shall be pursuant to the solicitation, resulting contract, and Offeror's exceptions accepted by the State thereto as set forth below.
	STANDARD TERMS AND CONDITIONS
Section/ Subsection #	State the exception such as "add," "replace," and/or "delete."
F. 11.	See Appendix A.
F.12.	See Appendix B.
	ADDITIONAL OFFEROR PROVISIONS
New Provision(s), # et. seq.	**Section/Subsection New Number, Title of New Subsection**: State the new additional term or condition.

By: Elizabeth Coolidge

Signed: [redacted]

Position: Managing Director

Date: 1/31/2017

APPENDIX A: EXCEPTIONS TO SOLICITATION AND CONTRACT TERMS AND CONDITIONS CONTINUED (F.11.)

Below is a continuation of the Exceptions to Solicitation and Contract Terms and Conditions page.

F.11. Add “If selected, PNCCM is willing to discuss indemnification and allocation of responsibility between the parties. Any such allocation of responsibility would be mutually agreed upon by the parties and would be set forth in the final agreement governing the underwriting services to be provided pursuant to the request for proposal. Although open to discussing other approaches with the Tollway, PNCCM is willing to agree to the allocation of responsibilities consistent with the contract of purchase executed by the Illinois State Toll Highway Authority dated November 19, 2015 in connection with the $400,000,000 Toll Highway Senior Revenue Bonds, 2015 Series B. If you have any questions about this matter, we would be happy to discuss this topic with you further.”

APPENDIX B: EXCEPTIONS TO SOLICITATION AND CONTRACT TERMS AND CONDITIONS CONTINUED (F.12.)

Below is a continuation of the Exceptions to Solicitation and Contract Terms and Conditions page.

F.12. PNCCM would like the opportunity to discuss the specific terms of insurance with the Tollway when hired to a transaction.

STATE OF ILLINOIS
STATE SUPPLEMENTAL PROVISIONS

H.1. State Supplemental Provisions:

☐ Illinois Tollway Definitions

N/A

☐ Required Federal Clauses, Certifications and Assurances

N/A

☐ American Recovery and Reinvestment Act of 2009 (ARRA) Requirements

N/A

☐ Public Works Requirements (construction and maintenance of a public work) 820 ILCS 130/4.

N/A

☐ Prevailing Wage (janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, security services, and printing, if valued at more than $200 per month or $2,000 per year) 30 ILCS 500/25-60.

N/A

☐ Illinois Tollway Specific Terms and Conditions

N/A

☐ Other (describe)

N/A

1.1 TOLLWAY SUPPLEMENTAL PROVISIONS:

☐ Definitions

☐ Required Federal Clauses, Certifications and Assurances

☐ ARRA Requirements (American Recovery and Reinvestment Act of 2009)

☐ Public Works Requirements <u>(construction and maintenance of a public work)</u> (820 ILCS 130/4)

☐ Prevailing Wage (janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, and security services, if valued at more than $200 per month or $2000 per year (30 ILCS 500/25-60)

☐ Prevailing Wage (all printing contracts) (30 ILCS 500/25-60)

☐ BEP Subcontracting Requirements (Utilization Plan and Letter of Intent)

☒ PAYMENT OF TOLLS: The Vendor shall be required to pay the full amount of tolls, if any, incurred by it during the duration of the contract. Said tolls will not be refunded by the Illinois Tollway. Furthermore, in the event that a final determination is made by the Illinois Tollway that the Contractor has failed to pay any required tolls and associated fines, the Illinois Tollway is authorized to take steps necessary to withhold the amounts of the unpaid tolls and fines from any payment due the contractor by the Illinois Tollway and/or other Tollway of Illinois office, department, commission, board or agency.

1.2 AGENCY SUPPLEMENTAL TERMS AND CONDITIONS:

1.2.1 Order of Precedence:

This contract Request for Proposal (RFP), taken together, comprises the Contract between the parties. With respect to any inconsistency or conflict among these documents the following order of precedence shall prevail:

1. This Contract
2. The RFP
3. Other submissions received after the initial proposal as part of the renegotiation process, if applicable and agreed upon

1.2.2 Agents and Employees:

Vendor shall be responsible for the negligent acts and omissions of its agents, employees and if applicable, subcontractors in their performance of Vendor's duties under this Contract. Vendor represents that it shall utilize the services of individuals skilled in the profession for which they will be used in performing services or supplying goods hereunder. In the event that the Tollway/Buyer determines that any individual performing services or supplying goods for Vendor hereunder is not providing such skilled services or delivery of goods, it shall promptly notify the Vendor and the Vendor shall replace that individual.

1.2.3 Publicity:

Vendor shall not, in any advertisement or any other type of solicitation for business, state, indicate or otherwise imply that it is under contract to the Tollway/Buyer nor shall the Tollway/Buyer's name be used in any such advertisement or solicitation without prior written approval except as required by law.

1.2.4 Consultation:

Vendor shall keep the Tollway/Buyer fully informed as to the progress of matters covered by this Contract. Where time permits and Vendor is not otherwise prohibited from so doing, Vendor shall offer the Tollway/Buyer the opportunity to review relevant documents prior to filing with any public body or adversarial party.

1.2.5 Third Party Beneficiaries:

There are no third party beneficiaries to this Contract. This Contract is intended only to benefit the Tollway/Buyer and the Vendor.

1.2.6 Successors In Interest:

All the terms, provisions, and conditions of the Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

1.2.7 Vendor's Termination Duties**:**

The Vendor, upon receipt of notice of termination or upon request of the Tollway/Buyer, shall:

1.2.7.1 Cease work under this Contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within thirty (30) days of the date of notice of termination, describing the status of all work under the Contract, including, without limitation, results accomplished, conclusions resulting there from, any other matters the Tollway/Buyer may require;

1.2.7.2 Immediately cease using and return to the Tollway/Buyer any personal property or materials, whether tangible or intangible, provided by the Tollway/Buyer to the Vendor;

1.2.7.3 Comply with the Tollway/Buyer's instructions for the timely transfer of any active files and work product produced by the Vendor under this Contract;

1.2.7.4 Cooperate in good faith with the Tollway/Buyer, its employees, agents and contractors during the transition period between the notification of termination and the substitution of any replacement contractor;

1.2.7.5 Immediately return to the Tollway/Buyer any payments made by the Tollway/Buyer for services that were not rendered by the Vendor.

1.3 OVERTIME:

If overtime is contemplated and provided for in this contract, all work performed by Vendor at overtime rates shall be pre-approved by the Tollway/Buyer.

1.4 VENUE AND ILLINOIS LAW:

Any claim against the Tollway arising out of this contract must be filed exclusively with Circuit Court for the Eighteenth Judicial Circuit, DuPage County, Illinois for State claims and the U.S. District Court for the Northern District of Illinois for Federal claims.

1.4.1 Whenever "State" is used or referenced in this Contract, it shall be interpreted to mean the Illinois State Toll Highway Authority.

1.4.2 The State Prompt Payment Act (30 ILCS 40) does not apply to the Tollway. Therefore, the first two sentences of paragraph 2.1 are deleted.

1.4.3. The Tollway is not currently an appropriated agency. Therefore, to the extent paragraph 1.5 concerns the Tollway being an appropriated agency, it does not apply.

1.4.4. The invoice submission deadline included in the second sentence of above paragraph 2.6 does not apply to the Tollway. Therefore, the second sentence of this paragraph is stricken. However, the remainder of the paragraph remains in effect.

1.5 REPORT OF A CHANGE IN CIRCUMSTANCES:

The (Contractor/Vendor) agrees to report to the TOLLWAY as soon as practically possible, but no later than 21 days following any change in facts or circumstances that might impact the (CONTRACTOR/VENDOR)'s ability to satisfy its legal or contractual responsibilities and obligations under this contract. Required reports include, but are not limited to changes in the (CONTRACTOR/VENDOR)'s Certification/Disclosure Forms, the (CONTRACTOR/VENDOR)'s IDOT pre-qualification, or any certification or licensing required for this project. Additionally, (CONTRACTOR/VENDOR) agrees to report to the Tollway within the above timeframe any arrests, indictments, convictions or other matters involving the (CONTRACTOR/VENDOR), or any of its principals, that might occur while this contract is in effect. This reporting requirement does not apply to common offenses, including but not limited to minor traffic/vehicle offenses.

Further, the (CONTRACTOR/VENDOR) agrees to incorporate substantially similar reporting requirements into the terms of any and all subcontracts relating to work performed under this agreement. The (CONTRACTOR/VENDOR) agrees to forward or relay to the Tollway any reports received from subcontractors pursuant to this paragraph within 21 days.

Finally, the (CONTRACTOR/VENDOR) acknowledges and agrees that the failure of the (CONTRACTOR/VENDOR) to comply with this reporting requirement shall constitute a material breach of contract which may result in this contract being declared void.

STATE OF ILLINOIS
SUBCONTRACTOR DISCLOSURE

I.1. Will subcontractors be utilized? ☐ Yes ☒ No
A subcontractor is a person or entity that enters into a contractual agreement with a total value of $50,000 or more with a person or entity who has a contract subject to the Illinois Procurement Code pursuant to which the person or entity provides some or all of the goods, services, real property, remuneration, or other monetary forms of consideration that are the subject of the primary State contract, including subleases from a lessee of a State contract.

All contracts with subcontractors must include Standard Certifications completed and signed by the subcontractor.

I.2. The maximum percentage of the goods or services that are the subject of this Offer and the resulting contract that may be subcontracted is N/A

I.3. Please identify below subcontracts with an annual value of $50,000 or more that will be utilized in the performance of the contract, the names and addresses of the subcontractors, and a description of the work to be performed by each. N/A

- Subcontractor Name:

  Anticipated/Estimated Amount to Be Paid:

  Address:

  Description of Work:

- Subcontractor Name:

  Anticipated/Estimated Amount to Be Paid:

  Address:

  Description of Work:

If additional space is necessary to provide subcontractor information, please attach an additional page.

I.4. For the subcontractors identified above, the Offeror must provide each subcontractor's Financial Disclosures and Conflicts of Interest to the State.

I.5. If the subcontractor is registered in the Illinois Procurement Gateway (IPG) and the Offeror is using the subcontractor's Standard Certifications or Financial Disclosures and Conflicts of Interest from the IPG, then the Offeror must also provide a completed Forms B for the subcontractor.

STATE OF ILLINOIS
REFERENCES

Provide references from established firms or government agencies (State of Illinois, City of Chicago and State of Wisconsin) other than the procuring agency/university that can attest to Offeror's experience and ability to perform the contract that is the subject of this solicitation.

J.1. Firm/Government Agency/University (name): State of Illinois

Contact Person (name, title, email address, address, and phone): Kelly Hutchinson, Director of Capital Markets, kelly.hutchinson@illinois.org, 100 W. Randolph, Suite 15-100, Chicago, IL, 60601, (312) 814-0023

Date of Supplies/Services Provided: $1.3 billion GO Refunding Bonds, Series of October 2016 (10/13/16)

Type of Supplies/Services Provided: Co-Senior Manager

J.2. Firm/Government Agency/University (name): City of Chicago

Contact Person (name, title, email address, address, and phone): Carole Brown, Chief Financial Officer, carole.brown@cityofchicago.org, 121 N. LaSalle Street, 7th Floor, Chicago, IL, 60602, (312) 744-7159

Date of Supplies/Services Provided: $526.3 million Second Lien Water Revenue Bonds, Series 2000, 2004, 2016A (5/11/16)

Type of Supplies/Services Provided: Senior Manager

J.3. Firm/Government Agency/University (name): State of Wisconsin

Contact Person (name, title, email address, address, and phone): David Erdman, Capital Finance Director, david.erdman@wisconsin.gov, 101 E. Wilson Street, 10th Floor, Madison, WI, 53707, (608) 267-0374

Date of Supplies/Services Provided: $33.6 million Master Lease Certificates of Paricipation of 2016, Series A (6/23/16)

Type of Supplies/Services Provided: Senior Manager

J.4. Firm/Government Agency/University (name): N/A

Contact Person (name, title, email address, address, and phone): N/A

Date of Supplies/Services Provided: N/A

Type of Supplies/Services Provided: N/A

Offeror Name: PNC Capital Markets LLC

Return Mailing Address:One North Franklin Street, 29th Floor, Chicago, IL, 60606

PNC

Packet 4 – Forms A
Response to Request for Proposal for Bond Underwriting Services
IPB #22039948
The Illinois State Toll Highway Authority

February 3, 2017

INTEGRITY. INNOVATION. INSIGHT.

PNC

One North Franklin – 29th Floor
Chicago, IL 60606

Primary Contacts

Elizabeth Coolidge
Managing Director

312-338-2262
elizabeth.coolidge@pnc.com

Eric Golynsky
Director

212-752-6103
eric.golynsky@pnc.com

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STATE OF ILLINOIS
FORMS A

A vendor responding to a solicitation by the State of Illinois must return the information requested within this section with their bid or offer if they are not registered in the Illinois Procurement Gateway (IPG). Failure to do so may render their bid or offer non-responsive and result in disqualification.

Please read this entire Forms A and provide the requested information as applicable and per the instructions. All forms and signature areas contained in this Forms A must be completed in full and submitted along with the bid in an Invitation for Bid; and completed in full and submitted along with the technical response and price proposal, which combined will constitute the Offer, in a Request for Proposal.

Vendor Name: PNC Capital Markets LLC	Phone: 312-338-2262
Street Address: One North Franklin Street, 29th Floor	Email: elizabeth.coolidge@pnc.com
City, State Zip: Chicago, IL 60606	Vendor Contact: Elizabeth Coolidge

In compliance with the State and Federal Constitutions, the Illinois Human Rights Act, the U.S. Civil Rights Act, and Section 504 of the Federal Rehabilitation Act, the State of Illinois does not discriminate in employment, contracts, or any other activity.

The State of Illinois encourages prospective vendors to consider hiring qualified veterans and Illinois residents discharged from any Illinois adult correctional center, in appropriate circumstances.

OUTLINE

FORMS A

Complete this section if you are <u>not</u> using an IPG (Illinois Procurement Gateway) Registration #

STATE OF ILLINOIS
BUSINESS AND DIRECTORY INFORMATION

1.1. Name of Business (official name and DBA)

PNC Capital Markets LLC

1.2. Business Headquarters (address, phone and fax)

The Tower at PNC Plaza, 300 Fifth Avenue

Pittsburgh, PA 15222

412-645-5012

412-705-2682

1.3. If a Division or Subsidiary of another organization provide the name and address of the parent

PNCCM is 100% owned by PNC Holding LLC which, in turn, is 100% owned by The PNC Financial Services Group, Inc. The addresses for these organizations are listed below.

PNC Holding LLC
222 Delaware Avenue
Wilmington, DE 19801

The PNC Financial Services Group, Inc.
The Tower at PNC Plaza, 300 Fifth Avenue
Pittsburgh, PA 15222

1.4. Billing Address

The Tower at PNC Plaza, 300 Fifth Avenue

Pittsburgh, PA 15222

1.5. Name of Chief Executive Officer

Charlotte McLaughlin

1.6. Company Web Site Address

www.pnc.com

1.7. Type of Organization (sole proprietor, corporation, etc.--should be same as on Taxpayer ID form below)

Limited Liability Corporation

1.8. Length of time in business

11 years
Note: PNCCM was formed from a previous legal entity which has been regulated by FINRA since 3/5/1985.

1.9. Annual Sales for Offeror's most recently completed fiscal year

Total Net Revenue for Year Ended 12/31/2015: $230.7 million (Year Ended 12/31/2016 Not Yet Available)

1.10. Show number of full-time employees, on average, during the most recent fiscal year

270 employees (as of Fiscal Year 2015; Fiscal Year 2016 Not Yet Available)

1.11. Is your company at least 51% owned and controlled by individuals in one of the following categories? If "Yes," please check the category that applies: N/A

1.11.1. Minority (30 ILCS 575/2(A)(1) & (3)) ☐ Yes

1.11.2. Female (30 ILCS 575/2(A)(2) & (4)) ☐ Yes

1.11.3. Person with Disability (30 ILCS 575/2(A)(2.05) & (2.1)) ☐ Yes

1.11.4. Disadvantaged (49 CFR 26) ☐ Yes

1.11.5. Veteran (30 ILCS 500/45-57) ☐ Yes

STATE OF ILLINOIS

ILLINOIS DEPARTMENT OF HUMAN RIGHTS PUBLIC CONTRACT NUMBER

2.1. If Offeror employed fifteen or more full-time employees at the time of submission of their response to this solicitation or any time during the previous 365-day period leading up to submission, it must have a current IDHR Public Contract Number or have proof of having submitted a completed application for one **prior** to the solicitation opening date. 775 ILCS 5/2-101. If the Agency/University cannot confirm compliance, it will not be able to consider a Vendor's bid or offer. Please complete the appropriate sections below:

Name of Company (and DBA): The PNC Financial Services Group, Inc.

DBA: PNC Capital Markets LLC

☐ (check if applicable) The number is not required as the company has not met or exceeded the number of employees that makes registration necessary under the requirements of the Human Rights Act described above.

IDHR Public Contracts Number: 12947300 Expiration Date: 3/17/2019.

2.2. If number has not yet been issued, provide the date a completed application for the number was submitted to IDHR: N/A.

2.3. Upon expiration and until their Contractor Identification Number is renewed, companies will not be eligible to be awarded contracts by the State of Illinois or other jurisdictions that require a current IDHR number as a condition of contract eligibility. 44 ILL. ADM. CODE 750.210(a).

2.4. Numbers issued by the Department of Human Rights (or its predecessor agency, the Illinois Fair Employment Practices Commission) prior to July 1, 1998 are no longer valid. This affects numbers below 89999-00-0. Valid numbers begin with 900000-00-0.

2.5. If Offeror's organization holds an expired number, it must re-register with the Department of Human Rights.

2.6. Offeror may obtain an application form by:

2.6.1. Telephone: Call the IDHR Public Contracts Unit at (312) 814-2431 between Monday and Friday, 8:30 AM - 5:00 PM, CST. (TDD (312) 263-1579).

2.6.2. Internet: You may download the form from the Department of Human Rights' website at (http://www2.illinois.gov/dhr/PublicContracts/Pages/default.aspx).

2.6.3. Mail: Write to the Department of Human Rights, Public Contracts Unit, 100 West Randolph Street, Suite 10-100, Chicago, IL 60601**.**

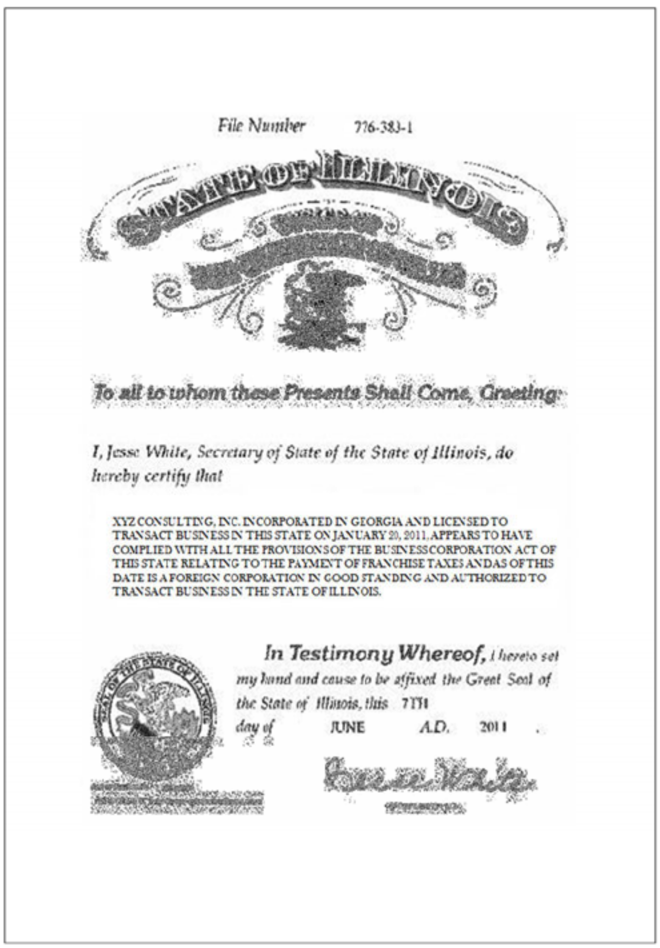
STATE OF ILLINOIS
AUTHORIZED TO TRANSACT BUSINESS OR CONDUCT AFFAIRS IN ILLINOIS

3. A person, other than an individual acting as a sole proprietor, must be a duly constituted legal entity and authorized to transact business or conduct affairs in Illinois prior to submitting an offer. 30 ILCS 500/20-43. Offerors must review and complete certification #4.32 in the Standard Certifications found in Forms A, Part 4.

   Certification #4.32 requires Vendor to check one of two boxes representing its status. The State may request evidence from a vendor that certifies it is authorized to do business in Illinois proving such authorization. Failure to produce evidence in a timely manner may be considered grounds for determining Vendor non-responsive or not responsible.

   For information on registering to transact business or conduct affairs in Illinois, please visit the Illinois Secretary of State's Department of Business Services at their website at (http://cyberdriveillinois.com/departments/business_services/home.html) or your home county clerk.

EVIDENCE OF BEING AUTHORIZED TO TRANSACT BUSINESS OR CONDUCT AFFAIRS IS THE SECRETARY OF STATE'S CERTIFICATE OF GOOD STANDING



File Number 776-383-1

STATE OF ILLINOIS

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

XYZ CONSULTING, INC. INCORPORATED IN GEORGIA AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON JANUARY 20, 2011, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES AND AS OF THIS DATE IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 7TH day of JUNE A.D. 2011 .

File Number 0283186-4

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

PNC CAPITAL MARKETS LLC, A PENNSYLVANIA LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JUNE 24, 2009, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 18TH *day of* JANUARY *A.D.* 2017 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 1701802058 verifiable until 01/18/2018
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

Vendor acknowledges and agrees that compliance with this subsection in its entirety for the term of the contract and any renewals is a material requirement and condition of this contract. By executing this contract Vendor certifies compliance with this subsection in its entirety, and is under a continuing obligation to remain in compliance and report any non-compliance.

This subsection, in its entirety, applies to subcontractors used on this contract. Vendor shall include these Standard Certifications in any subcontract used in the performance of the contract using the Standard Certification form provided by the State.

If this contract extends over multiple fiscal years, including the initial term and all renewals, Vendor and its subcontractors shall confirm compliance with this section in the manner and format determined by the State by the date specified by the State and in no event later than July 1 of each year that this contract remains in effect.

If the Parties determine that any certification in this section is not applicable to this contract it may be stricken without affecting the remaining subsections.

4.1. As part of each certification, Vendor acknowledges and agrees that should Vendor or its subcontractors provide false information, or fail to be or remain in compliance with the Standard Certification requirements, one or more of the following sanctions will apply:

- the contract may be void by operation of law,
- the State may void the contract, and
- the Vendor and it subcontractors may be subject to one or more of the following: suspension, debarment, denial of payment, civil fine, or criminal penalty.

Identifying a sanction or failing to identify a sanction in relation to any of the specific certifications does not waive imposition of other sanctions or preclude application of sanctions not specifically identified.

4.2. Vendor certifies it and its employees will comply with applicable provisions of the United States Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act, and applicable rules in performance of this contract.

4.3. Vendor, if an individual, sole proprietor, partner or an individual as member of a LLC, certifies he/she is not in default on an educational loan. 5 ILCS 385/3.

4.4. Vendor, if an individual, sole proprietor, partner or an individual as member of a LLC, certifies it he/she has not received (i) an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code or (ii) an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code. 30 ILCS 105/15a; 40 ILCS 5/14-108.3; 40 ILCS 5/16-133.

4.5. Vendor certifies that it is a legal entity authorized to do business in Illinois prior to submission of a bid, offer, or proposal. 30 ILCS 500/1-15.80, 20-43.

4.6. To the extent there was a current Vendor providing the services covered by this contract and the employees of that Vendor who provided those services are covered by a collective bargaining agreement, Vendor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer; and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit who perform substantially similar work to the work that will be performed pursuant to this contract. This does not apply to heating, air conditioning, plumbing and electrical service contracts. 30 ILCS 500/25-80.

4.7. Vendor certifies it has neither been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor made an admission of guilt of such conduct that is a matter of record. 30 ILCS 500/50-5.

4.8. If Vendor has been convicted of a felony, Vendor certifies at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business. 30 ILCS 500/50-10.

4.9. If Vendor or any officer, director, partner, or other managerial agent of Vendor has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, Vendor certifies at least five years have passed since the date of the conviction. Vendor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the contract void if this certification is false. 30 ILCS 500/50-10.5.

4.10. Vendor certifies it is not barred from having a contract with the State based upon violating the prohibitions related to either submitting/writing specifications or providing assistance to an employee of the State of Illinois by reviewing, drafting, directing, or preparing any invitation for bids, a request for proposal, or request of information, or similar assistance (except as part of a public request for such information). 30 ILCS 500/50-10.5(e), *amended* by Pub. Act No. 97-0895 (August 3, 2012).

4.11. Vendor certifies that it and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Vendor and its affiliates acknowledge the State may declare the contract void if this certification is false or if Vendor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt. 30 ILCS 500/50-11, 50-60.

4.12. Vendor certifies that it and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act and acknowledges that failure to comply may result in the contract being declared void. 30 ILCS 500/50-12.

4.13. Vendor certifies that it has not been found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act within the last five years, and is therefore not barred from being awarded a contract. 30 ILCS 500/50-14.

4.14. Vendor certifies it has neither paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract. 30 ILCS 500/50-25.

4.15. Vendor certifies it is not in violation of the "Revolving Door" provisions of the Illinois Procurement Code. 30 ILCS 500/50-30.

4.16. Vendor certifies that it has not retained a person or entity to attempt to influence the outcome of a procurement decision for compensation contingent in whole or in part upon the decision or procurement. 30 ILCS 500/50-38.

4.17. Vendor certifies that if it has hired a person required to register under the Lobbyist Registration Act to assist in obtaining any State contract, that none of the lobbyist's costs, fees, compensation, reimbursements, or other remuneration were billed to the State. 30 ILCS 500\50-38.

4.18. Vendor certifies it will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers, or employees of the State. 30 ILCS 500/50-40, 50-45, 50-50.

4.19. Vendor certifies steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring Agency/University grants an exception. 30 ILCS 565.

4.20. Drug Free Workplace

4.20.1. If Vendor employs 25 or more employees and this contract is worth more than $5,000, Vendor certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act.

4.20.2. If Vendor is an individual and this contract is worth more than $5000, Vendor certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the contract. 30 ILCS 580.

4.21. Vendor certifies that neither Vendor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the United States. Department of Commerce. 30 ILCS 582.

4.22. Vendor certifies it has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States. 720 ILCS 5/33 E-3, E-4.

4.23. Vendor certifies it complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, which include providing equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies. 775 ILCS 5/2-105.

4.24. Vendor certifies it does not pay dues to or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club." 775 ILCS 25/2.

4.25. Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been or will be produced in whole or in part by forced labor or indentured labor under penal sanction. 30 ILCS 583.

4.26. Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been produced in whole or in part by the labor of any child under the age of 12. 30 ILCS 584.

4.27. Vendor certifies that any violation of the Lead Poisoning Prevention Act, as it applies to owners of residential buildings, has been mitigated. 410 ILCS 45.

4.28. Vendor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Vendors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over $25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

4.29. Vendor certifies that information technology, including electronic information, software, systems and equipment, developed or provided under this contract comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at (www.dhs.state.il.us/iitaa) 30 ILCS 587.

4.30. Vendor certifies that it has read, understands, and is in compliance with the registration requirements of the Elections Code (10 ILCS 5/9-35) and the restrictions on making political contributions and related requirements of the Illinois Procurement Code. 30 ILCS 500/20-160 and 50-37. Vendor will not make a political contribution that will violate these requirements.

In accordance with section 20-160 of the Illinois Procurement Code, Vendor certifies as applicable:

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

or

☒ Vendor has registered with the State Board of Elections. As a registered business entity, Vendor acknowledges a continuing duty to update the registration as required by the Act.

4.31. Vendor certifies that if it is awarded a contract through the use of the preference required by the Procurement of Domestic Products Act, then it shall provide products pursuant to the contract or a subcontract that are manufactured in the United States. 30 ILCS 517.

4.32. A person (other than an individual acting as a sole proprietor) must be a duly constituted legal entity and authorized to transact business or conduct affairs in Illinois prior to submitting a bid or offer. 30 ILCS 500/20-43. If you do not meet these criteria, then your bid or offer will be disqualified.

Vendor must make one of the following two certifications by checking the appropriate box.

A. ☐ Vendor certifies it is an individual acting as a sole proprietorand is therefore not subject to the requirements of section 20-43 of the Procurement Code.

B. ☒ Vendor certifies that it is a legal entity, and was authorized to transact business or conduct affairs in Illinois as of the date for submitting this bid or offer. The State may require Vendor to provide evidence of compliance before award.

4.33. Vendor certifies that, for the duration of this contract it will:

- post its employment vacancies in Illinois and border states on the Department of Employment Security's IllinoisJobLink.com website or its successor system; or
- will provide an online link to these employment vacancies so that this link is accessible through the IllinoisJobLink.com website it successor system; or
- is exempt from 20 ILCS 1005/1005-47 because the contract is for construction-related services as that term is defined in section 1-15.20 of the Procurement Code; or the contract is for construction and vendor is a party to a contract with a bona fide labor organization and performs construction. (20 ILCS 1005/1005-47).

5. Section 50-37 of the Illinois Procurement Code prohibits political contributions of certain vendors, bidders and offerors. Additionally, section 9-35 of the Illinois Election Code governs provisions relating to reporting and making contributions to state officeholders, declared candidates for State offices and covered political organizations that promote the candidacy of an officeholder or declared candidate for office. The State may declare any resultant contract void if these Acts are violated.

   Generally, if a vendor, bidder, or offeror is an entity doing business for profit (i.e. sole proprietorship, partnership, corporation, limited liability company or partnership, or otherwise) and has contracts with State agencies that annually total more than $50,000 or whose aggregate pending bids or proposals and current State contracts that total more than $50,000, the vendor, bidder, or offeror is prohibited from making political contributions and must register with the State Board of Elections. 30 ILCS 500/20-160.

EVIDENCE OF REGISTRATION WITH THE STATE BOARD OF ELECTIONS
IS THE CERTIFICATE OF REGISTRATION


Certificate of Registration

STATE BOARD OF ELECTIONS

Registration No. 138

ABC Corporation
123 Main Street
Anywhere, IL USA 62707

Information for this business last updated on:
Wednesday, October 13, 2010

Certificate produced on Wednesday, October 13, 2010 at 12:30 PM

Certificate of Registration

STATE BOARD OF ELECTIONS

Registration No. 13805

PNC Capital Markets, LLC

225 Fifth Avenue
5th Floor
Pittsburgh PA 15222

Information for this business last updated on:

Wednesday, October 12, 2016

Certificate produced on Wednesday, January 18, 2017 at 8:37 AM

Registered
SEAL OF THE STATE BOARD OF ELECTIONS
ILLINOIS
Business

STATE OF ILLINOIS
DISCLOSURE OF BUSINESS OPERATIONS WITH IRAN

6. In accordance with 30 ILCS 500/50-36, each bid, offer, or proposal submitted for a State contract, other than a small purchase defined in Section 20-20 of the Illinois Procurement Code, will include a disclosure of whether or not the bidder, offeror, or proposing entity, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid, offer, or proposal had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran and:

   - more than 10% of the company's revenues produced in or assets located in Iran involve oil-related activities or mineral-extraction activities; less than 75% of the company's revenues produced in or assets located in Iran involve contracts with or provision of oil-related or mineral – extraction products or services to the Government of Iran or a project or consortium created exclusively by that Government; and the company has failed to take substantial action; or

   - the company has, on or after August 5, 1996, made an investment of $20 million or more, or any combination of investments of at least $10 million each that in the aggregate equals or exceeds $20 million in any 12- month period that directly or significantly contributes to the enhancement of Iran's ability to develop petroleum resources of Iran.

   A bid or offer that does not include this disclosure may be given a period after the bid or offer is submitted to cure non-disclosure. A chief procurement officer may consider the disclosure when evaluating the bid or offer or awarding the contract.

   ☒ There are no business operations that must be disclosed to comply with the above cited law.

   ☐ The following business operations are disclosed to comply with the above cited law: N/A

STATE OF ILLINOIS
FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

The Financial Disclosures and Conflicts of Interest form ("form") must be accurately completed and submitted by the vendor, parent entity(ies), and subcontractors. There are **nine** steps to this form and each must be completed as instructed in the step heading and within the step. A bid or offer that does not include this form shall be considered non-responsive. The Agency/University will consider this form when evaluating the bid or offer or awarding the contract.

The requirement of disclosure of financial interests and conflicts of interest is a continuing obligation. If circumstances change and the disclosure is no longer accurate, then disclosing entities must provide an updated form.

Separate forms are required for the vendor, parent entity(ies), and subcontractors.

This disclosure is submitted for:

☒ Vendor

☐ Vendor's Parent Entity(ies) (100% ownership)

☐ Subcontractor(s) >$50,000 (annual value)

☐ Subcontractor's Parent Entity(ies) (100% ownership) > $50,000 (annual value)

Project Name	Request for Qualifications
Illinois Procurement Bulletin Number	22039948
Contract Number	16-0155
Vendor Name	PNC Capital Markets LLC
Doing Business As (DBA)	PNC Capital Markets LLC
Disclosing Entity	PNC Capital Markets LLC
Disclosing Entity's Parent Entity	PNC Holding LLC
Subcontractor	N/A
Instrument of Ownership or Beneficial Interest	Limited Liability Company Membership Agreement (Series LLC, Low-Profit Limited Liability Company) ☐ If you selected Other, please describe: N/A

STEP 1
SUPPORTING DOCUMENTATION SUBMITTAL

(All vendors complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

You must select one of the six options below and select the documentation you are submitting. You must provide the documentation that the applicable section requires with this form.

☐ Option 1 – Publicly Traded Entities

1.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

1.B. ☐ Attach a copy of the Federal 10-K or provide a web address of an electronic copy of the Federal 10-K, and skip to Step 3.

☐ Option 2 – Privately Held Entities with more than 100 Shareholders

2.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

2.B. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership share in excess of 5% and attach the information Federal 10-K reporting companies are required to report under 17 CFR 229.401.

☒ Option 3 – All other Privately Held Entities, not including Sole Proprietorships

3.A. ☒ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

☐ Option 4 – Foreign Entities

4.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

4.B. ☐ Attach a copy of the Securities Exchange Commission Form 20-F or 40-F and skip to Step 3.

☐ Option 5 – Not-for-Profit Entities

☐ Complete Step 2, Option B.

☐ Option 6 – Sole Proprietorships

☐ Skip to Step 3.

STEP 2
DISCLOSURE OF FINANCIAL INTEREST OR BOARD OF DIRECTORS

(All vendors, except sole proprietorships, must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Complete **either** Option A (for all entities other than not-for-profits) or Option B (for not-for-profits). Additional rows may be inserted into the tables or an attachment may be provided if needed.

OPTION A – Ownership Share and Distributive Income

Ownership Share – If you selected Option 1.A., 2.A., 2.B., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of ownership if said percentage exceeds 5%, or the dollar value of their ownership if said dollar value exceeds $106,447.20.

☐ Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – X

Name	Address	Percentage of Ownership	$ Value of Ownership
PNC Holding LLC	222 Delaware Avenue Wilmington, DE 19807	100%	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Distributive Income – If you selected Option 1.A., 2.A., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of the disclosing vendor's total distributive income if said percentage exceeds 5% of the total distributive income of the disclosing entity, or the dollar value of their distributive income if said dollar value exceeds $106,447.20.

☐ Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – Y

Name	Address	% of Distributive Income	$ Value of Distributive Income
PNC Holding LLC	222 Delaware Avenue Wilmington, DE 19807	100%	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Please certify that the following statements are true.

I have disclosed all individuals or entities that hold an ownership interest of greater than 5% or greater than $106,447.20.

☒ Yes ☐ No

I have disclosed all individuals or entities that were entitled to receive distributive income in an amount greater than $106,447.20 or greater than 5% of the total distributive income of the disclosing entity.

☒ Yes ☐ No

OPTION B – Disclosure of Board of Directors (Not-for-Profits)

If you selected Option 5 in Step 1, list members of your board of directors. Please include an attachment if necessary.

TABLE – Z	
Name	**Address**
N/A	**N/A**
N/A	**N/A**
N/A	**N/A**
N/A	**N/A**
N/A	**N/A**

STEP 3
DISCLOSURE OF LOBBYIST OR AGENT

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

☐ Yes ☒ No. Is your company represented by or do you employ a lobbyist required to register under the Lobbyist Registration Act (lobbyist must be registered pursuant to the Act with the Secretary of State) or other agent who is not identified through Step 2, Option A above and who has communicated, is communicating, or may communicate with any State/Public University officer or employee concerning the bid or offer? If yes, please identify each lobbyist and agent, including the name and address below.

If you have a lobbyist that does not meet the criteria, then you do not have to disclose the lobbyist's information.

Name	**Address**	**Relationship to Disclosing Entity**
N/A	**N/A**	**N/A**

Describe all costs/fees/compensation/reimbursements related to the assistance provided by each representative lobbyist or other agent to obtain this Agency/University contract: N/A

STEP 4
PROHIBITED CONFLICTS OF INTEREST

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Step 4 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above. Please provide the name of the person for which responses are provided: N/A

1. Do you hold or are you the spouse or minor child who holds an elective office in the State of Illinois or hold a seat in the General Assembly? ☐ Yes ☐ No
2. Have you, your spouse, or minor child been appointed to or employed in any offices or agencies of State government and receive compensation for such employment in excess of 60% ($106,447.20) of the salary of the Governor? ☐ Yes ☐ No
3. Are you or are you the spouse or minor child of an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority? ☐ Yes ☐ No
4. Have you, your spouse, or an immediate family member who lives in your residence currently or who lived in your residence within the last 12 months been appointed as a member of a board, commission, authority, or task force authorized or created by State law or by executive order of the Governor? ☐ Yes ☐ No
5. If you answered yes to any question in 1-4 above, please answer the following: Do you, your spouse, or minor child receive from the vendor more than 7.5% of the vendor's total distributable income or an amount of distributable income in excess of the salary of the Governor ($177,412.00)? ☐ Yes ☐ No
6. If you answered yes to any question in 1-4 above, please answer the following: Is there a combined interest of self with spouse or minor child more than 15% in the aggregate of the vendor's distributable income or an amount of distributable income in excess of two times the salary of the Governor ($354,824.00)? ☐ Yes ☐ No

STEP 5
POTENTIAL CONFLICTS OF INTEREST RELATING TO PERSONAL RELATIONSHIPS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Step 5 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above.

Please provide the name of the person for which responses are provided: N/A

1. Do you currently have, or in the previous 3 years have you had State employment, including contractual employment of services? ☐ Yes ☐ No
2. Has your spouse, father, mother, son, or daughter, had State employment, including contractual employment for services, in the previous 2 years? ☐ Yes ☐ No

3. Do you hold currently or have you held in the previous 3 years elective office of the State of Illinois, the government of the United States, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois? ☐ Yes ☐ No

4. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding elective office currently or in the previous 2 years? ☐ Yes ☐ No

5. Do you hold or have you held in the previous 3 years any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office? ☐ Yes ☐ No

6. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding appointive office currently or in the previous 2 years? ☐ Yes ☐ No

7. Do you currently have or in the previous 3 years had employment as or by any registered lobbyist of the State government? ☐ Yes ☐ No

8. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) that is or was a registered lobbyist? ☐ Yes ☐ No

9. Do you currently have or in the previous 3 years had compensated employment by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? ☐ Yes ☐ No

10. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) who is or was a compensated employee of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? ☐ Yes ☐ No

STEP 6
EXPLANATION OF AFFIRMATIVE RESPONSES

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

If you answered "Yes" in Step 4 or Step 5, please provide on an additional page a detailed explanation that includes, but is not limited to the name, salary, State agency or university, and position title of each individual.

STEP 7
POTENTIAL CONFLICTS OF INTEREST
RELATING TO DEBARMENT & LEGAL PROCEEDINGS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

This step must be completed for each person disclosed in Step 2, Option A, Step 3, and for each entity and sole proprietor disclosed in Step 1.

Please provide the name of the person or entity for which responses are provided: PNC Capital Markets LLC

1. Within the previous ten years, have you had debarment from contracting with any governmental entity? ☐ Yes ☒ No
2. Within the previous ten years, have you had any professional licensure discipline? ☐ Yes ☒ No
3. Within the previous ten years, have you had any bankruptcies? ☐ Yes ☒ No
4. Within the previous ten years, have you had any adverse civil judgments and administrative findings? ☒ Yes ☐ No
5. Within the previous ten years, have you had any criminal felony convictions? ☐ Yes ☒ No

If you answered "Yes", please provide a detailed explanation that includes, but is not limited to the name, State agency or university, and position title of each individual. See attached sheet.

STEP 8
DISCLOSURE OF CURRENT AND PENDING CONTRACTS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

If you selected Option 1, 2, 3, 4, or 6 in Step 1, do you have any contracts, pending contracts, bids, proposals, subcontracts, leases or other ongoing procurement relationships with units of State of Illinois government?

☒ Yes ☐ No.

If "Yes", please specify below. Additional rows may be inserted into the table or an attachment may be provided if needed.

Agency/University	Project Title	Status	Value	Contract Reference/P.O./Illinois Procurement Bulletin #
State of Illinois	GOMB Request for Qualifications	Selected to Senior Manager's Underwriting Pool	TBD	Contract Underwriter #22038948

Illinois State Toll Highway	Bond Underwriting and Remarketing Services	Selected to the Co-Manager's Underwriting Pool	TBD	RFP Professional and Artistic 12-0045

Please explain the procurement relationship: Vendor

STEP 9
SIGN THE DISCLOSURE

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

This disclosure is signed, and made under penalty of perjury for all for-profit entities, by an authorized officer or employee on behalf of the bidder or offeror pursuant to Sections 50-13 and 50-35 of the Illinois Procurement Code. This disclosure information is submitted on behalf of:

Name of Disclosing Entity: PNC Capital Markets LLC

Signature [redacted] Date: 1/31/2017

Printed Name: Elizabeth Coolidge

Title: Managing Director

Phone Number: 312-338-2262

Email Address: elizabeth.coolidge@pnc.com

Step 7 Question 4 Attachment

Date	Defendant	Plantiff	Description	Result/Settlement Amount
December 2016	PNC Capital Markets LLC	FINRA	Failed to maintain approximately 1.9 million electronic brokerage records in non-erasable and no-rewriteable format	$500,000
July 2016	PNC Capital Markets LLC	FINRA	Failed to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to managed the financial, regulatory, and other risks associated with its access to trading on fixed income Alternative Trading Systems (Market Access)	$50,000
September 2015	PNC Capital Markets LLC	SEC	Findings reported through the Municipalities Continuing Disclosure Cooperation ("MCDC") Initiative	$500,000
April 2010	PNC Capital Markets LLC	FINRA	Failed to report to TRACE the correct contra-party's indentifier for transactions in TRACE-eligible securities	$15,000
December 2008	PNC Capital Markets LLC	FINRA	Failed to report municipal securities transactions to the MSRB RTRS system in compliance with Rule G14	$7,500

STATE OF ILLINOIS
FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

The Financial Disclosures and Conflicts of Interest form ("form") must be accurately completed and submitted by the vendor, parent entity(ies), and subcontractors. There are **nine** steps to this form and each must be completed as instructed in the step heading and within the step. A bid or offer that does not include this form shall be considered non-responsive. The Agency/University will consider this form when evaluating the bid or offer or awarding the contract.

The requirement of disclosure of financial interests and conflicts of interest is a continuing obligation. If circumstances change and the disclosure is no longer accurate, then disclosing entities must provide an updated form.

Separate forms are required for the vendor, parent entity(ies), and subcontractors.

This disclosure is submitted for:

☐ Vendor

☒ Vendor's Parent Entity(ies) (100% ownership)

☐ Subcontractor(s) >$50,000 (annual value)

☐ Subcontractor's Parent Entity(ies) (100% ownership) > $50,000 (annual value)

Project Name	Request for Qualifications
Illinois Procurement Bulletin Number	220389948
Contract Number	16-0155
Vendor Name	PNC Capital Markets LLC
Doing Business As (DBA)	PNC Capital Markets LLC
Disclosing Entity	PNC Holding LLC
Disclosing Entity's Parent Entity	The PNC Financial Services Group, Inc.
Subcontractor	N/A
Instrument of Ownership or Beneficial Interest	Limited Liability Company Membership Agreement (Series LLC, Low-Profit Limited Liability Company) ☐ If you selected Other, please describe: N/A

STEP 1
SUPPORTING DOCUMENTATION SUBMITTAL

(All vendors complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

You must select one of the six options below and select the documentation you are submitting. You must provide the documentation that the applicable section requires with this form.

☐ Option 1 – Publicly Traded Entities

1.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

1.B. ☐ Attach a copy of the Federal 10-K or provide a web address of an electronic copy of the Federal 10-K, and skip to Step 3.

☐ Option 2 – Privately Held Entities with more than 100 Shareholders

2.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

2.B. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership share in excess of 5% and attach the information Federal 10-K reporting companies are required to report under 17 CFR 229.401.

☒ Option 3 – All other Privately Held Entities, not including Sole Proprietorships

3.A. ☒ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

☐ Option 4 – Foreign Entities

4.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

4.B. ☐ Attach a copy of the Securities Exchange Commission Form 20-F or 40-F and skip to Step 3.

☐ Option 5 – Not-for-Profit Entities

☐ Complete Step 2, Option B.

☐ Option 6 – Sole Proprietorships

☐ Skip to Step 3.

STEP 2
DISCLOSURE OF FINANCIAL INTEREST OR BOARD OF DIRECTORS

(All vendors, except sole proprietorships, must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Complete **either** Option A (for all entities other than not-for-profits) or Option B (for not-for-profits). Additional rows may be inserted into the tables or an attachment may be provided if needed.

OPTION A – Ownership Share and Distributive Income

Ownership Share – If you selected Option 1.A., 2.A., 2.B., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of ownership if said percentage exceeds 5%, or the dollar value of their ownership if said dollar value exceeds $106,447.20.

☐ Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – X

Name	Address	Percentage of Ownership	$ Value of Ownership
The PNC Financial Services Group, Inc.	The Tower at PNC Plaza, 300 Fifth Avenue Pittsburgh, PA 15222	100%	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Distributive Income – If you selected Option 1.A., 2.A., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of the disclosing vendor's total distributive income if said percentage exceeds 5% of the total distributive income of the disclosing entity, or the dollar value of their distributive income if said dollar value exceeds $106,447.20.

☐ Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – Y

Name	Address	% of Distributive Income	$ Value of Distributive Income
The PNC Financial Services Group, Inc.	The Tower at PNC Plaza, 300 Fifth Avenue Pittsburgh, PA 15222	100%	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Please certify that the following statements are true.

I have disclosed all individuals or entities that hold an ownership interest of greater than 5% or greater than $106,447.20.

☒ Yes ☐ No

I have disclosed all individuals or entities that were entitled to receive distributive income in an amount greater than $106,447.20 or greater than 5% of the total distributive income of the disclosing entity.

☒ Yes ☐ No

OPTION B – Disclosure of Board of Directors (Not-for-Profits)

If you selected Option 5 in Step 1, list members of your board of directors. Please include an attachment if necessary.

TABLE – Z

Name	Address
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A

STEP 3
DISCLOSURE OF LOBBYIST OR AGENT

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

☐ Yes ☒ No. Is your company represented by or do you employ a lobbyist required to register under the Lobbyist Registration Act (lobbyist must be registered pursuant to the Act with the Secretary of State) or other agent who is not identified through Step 2, Option A above and who has communicated, is communicating, or may communicate with any State/Public University officer or employee concerning the bid or offer? If yes, please identify each lobbyist and agent, including the name and address below.

If you have a lobbyist that does not meet the criteria, then you do not have to disclose the lobbyist's information.

Name	Address	Relationship to Disclosing Entity
N/A	N/A	N/A

Describe all costs/fees/compensation/reimbursements related to the assistance provided by each representative lobbyist or other agent to obtain this Agency/University contract: N/A

STEP 4
PROHIBITED CONFLICTS OF INTEREST
(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Step 4 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above. Please provide the name of the person for which responses are provided: N/A

1. Do you hold or are you the spouse or minor child who holds an elective office in the State of Illinois or hold a seat in the General Assembly? ☐ Yes ☐ No
2. Have you, your spouse, or minor child been appointed to or employed in any offices or agencies of State government and receive compensation for such employment in excess of 60% ($106,447.20) of the salary of the Governor? ☐ Yes ☐ No
3. Are you or are you the spouse or minor child of an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority? ☐ Yes ☐ No
4. Have you, your spouse, or an immediate family member who lives in your residence currently or who lived in your residence within the last 12 months been appointed as a member of a board, commission, authority, or task force authorized or created by State law or by executive order of the Governor? ☐ Yes ☐ No
5. If you answered yes to any question in 1-4 above, please answer the following: Do you, your spouse, or minor child receive from the vendor more than 7.5% of the vendor's total distributable income or an amount of distributable income in excess of the salary of the Governor ($177,412.00)? ☐ Yes ☐ No
6. If you answered yes to any question in 1-4 above, please answer the following: Is there a combined interest of self with spouse or minor child more than 15% in the aggregate of the vendor's distributable income or an amount of distributable income in excess of two times the salary of the Governor ($354,824.00)? ☐ Yes ☐ No

STEP 5
POTENTIAL CONFLICTS OF INTEREST RELATING TO PERSONAL RELATIONSHIPS
(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Step 5 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above.

Please provide the name of the person for which responses are provided: N/A

1. Do you currently have, or in the previous 3 years have you had State employment, including contractual employment of services? ☐ Yes ☐ No
2. Has your spouse, father, mother, son, or daughter, had State employment, including contractual employment for services, in the previous 2 years? ☐ Yes ☐ No

3. Do you hold currently or have you held in the previous 3 years elective office of the State of Illinois, the government of the United States, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois? ☐ Yes ☐ No

4. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding elective office currently or in the previous 2 years? ☐ Yes ☐ No

5. Do you hold or have you held in the previous 3 years any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office? ☐ Yes ☐ No

6. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding appointive office currently or in the previous 2 years? ☐ Yes ☐ No

7. Do you currently have or in the previous 3 years had employment as or by any registered lobbyist of the State government? ☐ Yes ☐ No

8. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) that is or was a registered lobbyist? ☐ Yes ☐ No

9. Do you currently have or in the previous 3 years had compensated employment by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? ☐ Yes ☐ No

10. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) who is or was a compensated employee of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? ☐ Yes ☐ No

STEP 6
EXPLANATION OF AFFIRMATIVE RESPONSES
(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

If you answered “Yes” in Step 4 or Step 5, please provide on an additional page a detailed explanation that includes, but is not limited to the name, salary, State agency or university, and position title of each individual.

STEP 7
POTENTIAL CONFLICTS OF INTEREST
RELATING TO DEBARMENT & LEGAL PROCEEDINGS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

This step must be completed for each person disclosed in Step 2, Option A, Step 3, and for each entity and sole proprietor disclosed in Step 1.

Please provide the name of the person or entity for which responses are provided: PNC Holding LLC

1. Within the previous ten years, have you had debarment from contracting with any governmental entity? ☐ Yes ☒ No
2. Within the previous ten years, have you had any professional licensure discipline? ☐ Yes ☒ No
3. Within the previous ten years, have you had any bankruptcies? ☐ Yes ☒ No
4. Within the previous ten years, have you had any adverse civil judgments and administrative findings? ☐ Yes ☒ No
5. Within the previous ten years, have you had any criminal felony convictions? ☐ Yes ☒ No

If you answered "Yes", please provide a detailed explanation that includes, but is not limited to the name, State agency or university, and position title of each individual. N/A

STEP 8
DISCLOSURE OF CURRENT AND PENDING CONTRACTS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

If you selected Option 1, 2, 3, 4, or 6 in Step 1, do you have any contracts, pending contracts, bids, proposals, subcontracts, leases or other ongoing procurement relationships with units of State of Illinois government?

☐ Yes ☒ No.

If "Yes", please specify below. Additional rows may be inserted into the table or an attachment may be provided if needed.

Agency/University	Project Title	Status	Value	Contract Reference/P.O./Illinois Procurement Bulletin #
N/A	N/A	N/A	N/A	N/A

Please explain the procurement relationship: Vendor's Parent Entity

STEP 9
SIGN THE DISCLOSURE

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

This disclosure is signed, and made under penalty of perjury for all for-profit entities, by an authorized officer or employee on behalf of the bidder or offeror pursuant to Sections 50-13 and 50-35 of the Illinois Procurement Code. This disclosure information is submitted on behalf of:

Name of Disclosing Entity: PNC Holding LLC

Signature: [redacted] Date: 1/24/2017

Printed Name: Christi Davis

Title: Assistant Secretary

Phone Number: 412-762-1901

Email Address: c.davis@pnc.com

STATE OF ILLINOIS
FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

The Financial Disclosures and Conflicts of Interest form ("form") must be accurately completed and submitted by the vendor, parent entity(ies), and subcontractors. There are **nine** steps to this form and each must be completed as instructed in the step heading and within the step. A bid or offer that does not include this form shall be considered non-responsive. The Agency/University will consider this form when evaluating the bid or offer or awarding the contract.

The requirement of disclosure of financial interests and conflicts of interest is a continuing obligation. If circumstances change and the disclosure is no longer accurate, then disclosing entities must provide an updated form.

Separate forms are required for the vendor, parent entity(ies), and subcontractors.

This disclosure is submitted for:

☐ Vendor

☒ Vendor's Parent Entity(ies) (100% ownership)

☐ Subcontractor(s) >$50,000 (annual value)

☐ Subcontractor's Parent Entity(ies) (100% ownership) > $50,000 (annual value)

Project Name	Request for Qualifications
Illinois Procurement Bulletin Number	220389948
Contract Number	16-0155
Vendor Name	PNC Capital Markets LLC
Doing Business As (DBA)	PNC Capital Markets LLC
Disclosing Entity	The PNC Financial Services Group, Inc.
Disclosing Entity's Parent Entity	N/A
Subcontractor	N/A
Instrument of Ownership or Beneficial Interest	Corporate Stock (C-Corporation, S-Corporation, Professional Corporation, Service Corporation) ☐ If you selected Other, please describe: N/A

STEP 1
SUPPORTING DOCUMENTATION SUBMITTAL

(All vendors complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

You must select one of the six options below and select the documentation you are submitting. You must provide the documentation that the applicable section requires with this form.

☒ Option 1 – Publicly Traded Entities

1.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

1.B. ☒ Attach a copy of the Federal 10-K or provide a web address of an electronic copy of the Federal 10-K, and skip to Step 3.

http://phx.corporate-ir.net/phoenix.zhtml?c=107246&p=irol-SECText&TEXT=aHR0cDovL2FwaS50ZW5rd2l6YXJkLmNvbS9maWxpbmcueG1sP2lwYWdlPTEwNzc4NjY0JkRTRVE9MCZTRVE9MCZTUURFU0M9U0VDVElPTl9FTlRJUkUmc3Vic2lkPTU3

☐ Option 2 – Privately Held Entities with more than 100 Shareholders

2.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

2.B. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership share in excess of 5% and attach the information Federal 10-K reporting companies are required to report under 17 CFR 229.401.

☐ Option 3 – All other Privately Held Entities, not including Sole Proprietorships

3.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

☐ Option 4 – Foreign Entities

4.A. ☐ Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% ($106,447.20) of the annual salary of the Governor.

OR

4.B. ☐ Attach a copy of the Securities Exchange Commission Form 20-F or 40-F and skip to Step 3.

☐ Option 5 – Not-for-Profit Entities

☐ Complete Step 2, Option B.

☐ Option 6 – Sole Proprietorships

☐ Skip to Step 3.

STEP 2
DISCLOSURE OF FINANCIAL INTEREST OR BOARD OF DIRECTORS

(All vendors, except sole proprietorships, must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Complete **either** Option A (for all entities other than not-for-profits) or Option B (for not-for-profits). Additional rows may be inserted into the tables or an attachment may be provided if needed.

OPTION A – Ownership Share and Distributive Income

Ownership Share – If you selected Option 1.A., 2.A., 2.B., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of ownership if said percentage exceeds 5%, or the dollar value of their ownership if said dollar value exceeds $106,447.20.

☐ Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – X

Name	Address	Percentage of Ownership	$ Value of Ownership
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Distributive Income – If you selected Option 1.A., 2.A., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of the disclosing vendor's total distributive income if said percentage exceeds 5% of the total distributive income of the disclosing entity, or the dollar value of their distributive income if said dollar value exceeds $106,447.20.

☐ Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – Y

Name	Address	% of Distributive Income	$ Value of Distributive Income
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Please certify that the following statements are true.

I have disclosed all individuals or entities that hold an ownership interest of greater than 5% or greater than $106,447.20.

☒ Yes ☐ No

I have disclosed all individuals or entities that were entitled to receive distributive income in an amount greater than $106,447.20 or greater than 5% of the total distributive income of the disclosing entity.

☒ Yes ☐ No

OPTION B – Disclosure of Board of Directors (Not-for-Profits)

If you selected Option 5 in Step 1, list members of your board of directors. Please include an attachment if necessary.

TABLE – Z	
Name	**Address**
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A

STEP 3
DISCLOSURE OF LOBBYIST OR AGENT

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

☐ Yes ☒ No. Is your company represented by or do you employ a lobbyist required to register under the Lobbyist Registration Act (lobbyist must be registered pursuant to the Act with the Secretary of State) or other agent who is not identified through Step 2, Option A above and who has communicated, is communicating, or may communicate with any State/Public University officer or employee concerning the bid or offer? If yes, please identify each lobbyist and agent, including the name and address below.

If you have a lobbyist that does not meet the criteria, then you do not have to disclose the lobbyist's information.

Name	**Address**	**Relationship to Disclosing Entity**
N/A	N/A	

Describe all costs/fees/compensation/reimbursements related to the assistance provided by each representative lobbyist or other agent to obtain this Agency/University contract: N/A

STEP 4
PROHIBITED CONFLICTS OF INTEREST

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Step 4 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above. Please provide the name of the person for which responses are provided: N/A

1. Do you hold or are you the spouse or minor child who holds an elective office in the State of Illinois or hold a seat in the General Assembly? ☐ Yes ☐ No
2. Have you, your spouse, or minor child been appointed to or employed in any offices or agencies of State government and receive compensation for such employment in excess of 60% ($106,447.20) of the salary of the Governor? ☐ Yes ☐ No
3. Are you or are you the spouse or minor child of an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority? ☐ Yes ☐ No
4. Have you, your spouse, or an immediate family member who lives in your residence currently or who lived in your residence within the last 12 months been appointed as a member of a board, commission, authority, or task force authorized or created by State law or by executive order of the Governor? ☐ Yes ☐ No
5. If you answered yes to any question in 1-4 above, please answer the following: Do you, your spouse, or minor child receive from the vendor more than 7.5% of the vendor's total distributable income or an amount of distributable income in excess of the salary of the Governor ($177,412.00)? ☐ Yes ☐ No
6. If you answered yes to any question in 1-4 above, please answer the following: Is there a combined interest of self with spouse or minor child more than 15% in the aggregate of the vendor's distributable income or an amount of distributable income in excess of two times the salary of the Governor ($354,824.00)? ☐ Yes ☐ No

STEP 5
POTENTIAL CONFLICTS OF INTEREST RELATING TO PERSONAL RELATIONSHIPS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

Step 5 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above.

Please provide the name of the person for which responses are provided: N/A

1. Do you currently have, or in the previous 3 years have you had State employment, including contractual employment of services? ☐ Yes ☐ No
2. Has your spouse, father, mother, son, or daughter, had State employment, including contractual employment for services, in the previous 2 years? ☐ Yes ☐ No

3. Do you hold currently or have you held in the previous 3 years elective office of the State of Illinois, the government of the United States, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois? ☐ Yes ☐ No
4. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding elective office currently or in the previous 2 years? ☐ Yes ☐ No
5. Do you hold or have you held in the previous 3 years any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office? ☐ Yes ☐ No
6. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding appointive office currently or in the previous 2 years? ☐ Yes ☐ No
7. Do you currently have or in the previous 3 years had employment as or by any registered lobbyist of the State government? ☐ Yes ☐ No
8. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) that is or was a registered lobbyist? ☐ Yes ☐ No
9. Do you currently have or in the previous 3 years had compensated employment by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? ☐ Yes ☐ No
10. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) who is or was a compensated employee of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? ☐ Yes ☐ No

STEP 6
EXPLANATION OF AFFIRMATIVE RESPONSES

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

If you answered “Yes” in Step 4 or Step 5, please provide on an additional page a detailed explanation that includes, but is not limited to the name, salary, State agency or university, and position title of each individual.

STEP 7
POTENTIAL CONFLICTS OF INTEREST
RELATING TO DEBARMENT & LEGAL PROCEEDINGS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

This step must be completed for each person disclosed in Step 2, Option A, Step 3, and for each entity and sole proprietor disclosed in Step 1.

Please provide the name of the person or entity for which responses are provided: The PNC Financial Services Group, Inc.

1. Within the previous ten years, have you had debarment from contracting with any governmental entity? ☐ Yes ☒ No
2. Within the previous ten years, have you had any professional licensure discipline? ☐ Yes ☒ No
3. Within the previous ten years, have you had any bankruptcies? ☐ Yes ☒ No
4. Within the previous ten years, have you had any adverse civil judgments and administrative findings? ☒ Yes ☐ No
5. Within the previous ten years, have you had any criminal felony convictions? ☐ Yes ☒ No

If you answered "Yes", please provide a detailed explanation that includes, but is not limited to the name, State agency or university, and position title of each individual. Please see the attached sheet.

STEP 8
DISCLOSURE OF CURRENT AND PENDING CONTRACTS

(Complete only if bid, offer, or contract has an annual value over $50,000)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

If you selected Option 1, 2, 3, 4, or 6 in Step 1, do you have any contracts, pending contracts, bids, proposals, subcontracts, leases or other ongoing procurement relationships with units of State of Illinois government?

☐ Yes ☒ No.

If "Yes", please specify below. Additional rows may be inserted into the table or an attachment may be provided if needed.

Agency/University	Project Title	Status	Value	Contract Reference/P.O./Illinois Procurement Bulletin #
N/A	N/A	N/A	N/A	N/A

Please explain the procurement relationship: Vendor's Parent Entity

STEP 9
SIGN THE DISCLOSURE

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than $50,000 must complete)

This disclosure is signed, and made under penalty of perjury for all for-profit entities, by an authorized officer or employee on behalf of the bidder or offeror pursuant to Sections 50-13 and 50-35 of the Illinois Procurement Code. This disclosure information is submitted on behalf of:

Name of Disclosing Entity: The PNC Financial Services Group, Inc.

Signature: [redacted] Date: 1/24/17

Printed Name: George Whitmer

Title: Executive Vice President

Phone Number: 412-762-5730

Email Address: george.whitmer@pnc.com

Step 7 Question 4 Attachment

Date	Defendant	Plantiff	Description	Result/ Settlement Amount
January 2014	PNC	Department of Justice, Civil Rights Division, and the Consumer Financial Protection Bureau	Mortgage lending practices	$35 million
Early 2013	PNC and PNC Bank	Office of the Comptroller of the Currency and the Federal Reserve	Mortgage lending practices	$181 million
December 2012	PNC Bank	United States (Bibby & Donnelly)	False Claims Act	Amount of the settlement was not material to PNC
July 2012	National City (since merged into PNC)	Merchants operating commercial business throughout the US and trade associations	Pricing practices for general purpose credit card network services (Visa)	$150 million
June 2012	PNC Bank	PNC Bank customers	Overdraft fees on ATM and debit transactions	$90 million
February 2012	National City Bank (since merged into PNC)	Trombley, et. al. (Civil case)	Overdraft fees on ATM and debit transactions	Amount of the settlement was not material to PNC
December 2010	National City (since merged into PNC)	Reagan (class action suit on behalf of all who acquired National City stock pursuant to the registration statement filed in connection with National City's acquisiton of Fidelity Bankshares)	Violations of the federal securities laws	Amount of the settlement was not material to PNC
November 2010	National City (since merged into PNC)	Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd, and Argent Classic Convertible Arbitrage Fund L.P.	Violations of the federal securities laws	Amount of the settlement was not material to PNC
November 2010	National City (since merged into PNC)	All participants in or beneficiaries of the ERISA plan at any time between September 5, 2006 and November 2010 and whose Plan investments included investments in National City common stock, as well as all participants in or beneficiaries of the Plan and whose accounts were invested in Allegiant Funds from March 25, 2002 to November 2010	ERISA Litigation	Amount of the settlement was not material to PNC
November 2010	PNC	Adelphia Recovery Trust	Federal Banking law violations	Amount of the settlement was not material to PNC
November 2009	National City (since merged into PNC)	All current and former National City employees who acquired stock pursuant to and/or traceable to a December 1, 2006 registration statement filed in connection with the acquisition of Harbor Federal Savings Bank and who were participants in the Harbor Bank Employees Stock Ownership Plan and the Harbor Bank Stock Incentive Plan	Violations of the federal securities laws	Amount of the settlement was not material to PNC
August 2006	PNC	Ronald A. Katz Technology Licensing L.P. (RAKTL)	Patent infringement	Amount of the settlement was not material to PNC

STATE OF ILLINOIS
TAXPAYER IDENTIFICATION NUMBER

I certify that:

The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and

I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and

I am a U.S. person (including a U.S. resident alien).

- If you are an individual, enter your name and SSN as it appears on your Social Security Card.
- If you are a sole proprietor, enter the owner's name on the name line followed by the name of the business and the owner's SSN or EIN.
- If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's name on the name line and the D/B/A on the business name line and enter the owner's SSN or EIN.
- If the LLC is a corporation or partnership, enter the entity's business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).
- For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.

Name: PNC Capital Markets LLC

Business Name: PNC Capital Markets LLC

Taxpayer Identification Number:

Social Security Number: N/A

or

Employer Identification Number: [redacted]

Legal Status (check one):

☐ Individual	☐ Governmental
☐ Sole Proprietor	☐ Nonresident alien
☐ Partnership	☐ Estate or trust
☐ Legal Services Corporation	☐ Pharmacy (Non-Corp.)
☐ Tax-exempt	☐ Pharmacy/Funeral Home/Cemetery (Corp.)
☐ Corporation providing or billing medical and/or health care services	☒ Limited Liability Company (select applicable tax classification)
☐ Corporation NOT providing or billing medical and/or health care services	☒ C = corporation ☐ P = partnership

Signature of Authorized Representative: [redacted]

Date: 1/31/2017

PNC

RUN DATE: 04/26/2016
RUN TIME: 15:35

THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY
PURCHASING
PURCHASE REQUISITION

REPORT: SNFOPR
PAGE: 7

DL
04/28/16

NEED NUMBER 825095
FUND ACCOUNT 01
OLD PROJECT NUMBER ......
C.P. NUMBER...............

REQUESTING LOCATION ... ADM ADMINISTRATION
REQUISITIONER .... GROSSO
SHIP TO .... ADM
VENDOR'S INVOICE ......

NEED LINE	C.P. NUMBER	PROJ NO.	CC	ACCNT NO.	ITEM NUMBER	QTY	U/M	DESCRIPTION / COMMENTS	ESTIMATED UNIT COST	EMERG	LAST ORDER NUMBER	LAST ORD DATE	** FILL IN *** ORDER NUMBER
1		0000	40	43220	099999	000001	EA	RFP FOR BOND UNDERWRITER REC SRC 1: RFP FOR BOND UNDERWRITING REC SRC 1: /REMARKETING SERVICES RFP FOR BOND UNDERWRITERS RFP TO ESTABLISH POOLS OF FIRMS TO PROVIDE BOND UNDERWRITING AND REMARKET ING SERVICES FOR A 3-YEAR INITIAL TERM WITH RENEWAL OPTIONS UP TO 2 YEARS. EST. COST FOR FULL 5 YEAR S IS $14,935,000,	14,935,000.00000	NO			Paid on PAV CP# PNC56577904

NEED 825095 Approved By: GREG BEDALOV 04/20/2016

NEED 825095 Approved By: MIKE COLSCH 04/19/2016

NEED 825095 Approved By: PATTI PEARN 04/06/2016

total $200,000

16-0155I