

CPCFA BOND & NOTE ISSUANCE GUIDELINES

These guidelines outline the debt issuance provisions set by the Authority for tax-exempt financing transactions given a particular rating. The Authority acknowledges that each financing must be reviewed individually. Additional provisions may be considered on a case-by-case basis if the Applicant substantiates why those provisions are a necessary part of a prudent borrowing or issuance strategy, and in no way undermines the accountability and transparency of the Authority’s review, and or post-issuance monitoring of the transaction.

BOND RATING	BOND ISSUANCE PROVISIONS
I. Debt Rated A-/A-/A3⁽¹⁾ or better	<ul style="list-style-type: none"> • May be broadly offered • General obligation pledge
II. Debt Rated a minimum BBB-/BBB-/Baa3(1)	<ol style="list-style-type: none"> 1. Purchasers of bonds (in both primary and secondary markets) limited to “Qualified Institutional Buyers” as defined under SEC Rule 144A, promulgated under the Securities Act of 1933, or “Institutional Accredited Investors” as defined under SEC Rule 501(a)(1), (2), (3) or (7) (collectively “QIBs”), 2. Bonds may be initially placed with no more than 35 QIBs. 3. Bonds must be issued in minimum denominations of \$250,000 or any integral multiple of \$5,000 above this amount, with the requirement that all bonds must equal the chosen denomination. 4. <u>All</u> sale restriction information must be prominently printed on the cover and described in the body of any offering materials. The indenture’s “Registration and Transfer of Bonds” section must clearly describe all sale and purchase restrictions, and the bond certificates in their legends must note all sale and purchase restrictions. 5. Sinking fund maturities must match the bond denomination. 6. Participatory shares of bonds in trusts may be sold only to QIBs. Trust shares must be sold only in increments equal to the bond’s minimum denomination.
III. Debt Rated less than BBB-/BBB-/Baa3⁽¹⁾, or unrated	Issuance structures to be evaluated on a case-by-case basis.
DIRECT NOTE PURCHASE	NOTE ISSUANCE PROVISIONS
IV. Bank note purchase of unrated debt	<ol style="list-style-type: none"> 1. Intent by the bank to hold debt to maturity, or to transfer in whole or in part only to a limited bank group subject to prior approval of the Authority. 2. If transferred in part, notes must be purchased by a bank in minimum denominations of \$250,000 or any integral multiple of \$5,000 above this amount and be held by no more than five (5) QIBs at any given time.

⁽¹⁾ Represents ratings by Standard & Poors, Fitch and Moody’s respectively.