

CEFA BOND ISSUANCE GUIDELINES
Less than BBB-/BBB-/Baa3 or Unrated Debt

While all projects must demonstrate financial feasibility, these guidelines describe what CEFA would expect to see given a transaction (or borrower) with a particular rating (or no rating). The Authority would reserve the right to use its discretion as necessary and appropriate. The Authority acknowledges that each financing must be reviewed individually and exceptions to these guidelines may be considered if the applicant demonstrates that such exception is a necessary part of a cost-effective and prudent borrowing strategy. Conversely, the Authority retains the flexibility to request additional provisions as circumstances warrant.

BOND RATING ¹	LOAN SECURITY PROVISIONS
<p>Less than BBB-/BBB-/Baa3 or Unrated Debt</p>	<ul style="list-style-type: none"> • Must be privately placed with and transferred only to a “Qualified Institutional Buyer” as defined by SEC Rule 144A, promulgated under the Securities Act of 1933 • Minimum denomination of \$250,000 • Unconditional Promise to Pay from Borrower • Investor Letter required at issuance² • Bond transfer restrictions must be noted conspicuously on the bond itself • Bonds must be physically delivered³
<p>Unrated debt for Equipment Program (for equipment purchases generally \$5 million or less)</p>	<ul style="list-style-type: none"> • Must be privately placed with and transferred only to a “Qualified Institutional Buyer” as defined by SEC Rule 144A, promulgated under the Securities Act of 1933 • Minimum denomination of \$100,000

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¹ Refers to rating categories used by Standard & Poor’s/Fitch/Moody’s

² The Authority reserves the right to discuss and require a Traveling Investor Letter as circumstances may warrant

³ If a Borrower prefers book-entry DTC and provides a reasonable rationale for its use to the Authority, the Authority will consider reassurances that subsequent transfers will comply with applicable transfer restrictions