



**LEGAL FOUNDATIONS AND STRATEGIC  
STRUCTURING OF LEASE FINANCING**


PART 2: MAY 21, 2026  
10:00 – 11:30 AM

# HOUSEKEEPING

## SLIDES

Available on CDIAC's webinar webpage: <https://tinyurl.com/2026Leases>.

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# SPEAKER INTRODUCTIONS



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# Summary and Discussion

*Key takeaways from Rider and Stockton, plus prompts to guide drafting, disclosure, and investor/rating engagement.*

## KEY TAKEAWAYS

- Rider broadened flexibility in California lease revenue bonds (prepayment; non-acceleration/abatement).
- Market provisions evolved, but conservative conventions persist for comfort/acceptance.
- Essentiality and bankruptcy treatment remain uncertain; they drive drafting and risk dialogue.
- Post-Stockton, test security/enforceability assumptions under distress scenarios.

## QUESTIONS FOR CONSIDERATION

- **Balancing flexibility with market acceptance:** How much flexibility is worth investor friction?
- **Appropriate essentiality analysis:** What essentiality case fits operations and disclosure?
- **Ratings and investor view:** Which provisions will agencies/investors scrutinize most?
- **Bankruptcy-remote features:** What features add resilience, acknowledging bankruptcy risk?

# What Are Some of the Challenges Issuers Face in Getting a Lease Financing Deal Done?

- Leased Assets
- Valuations
- Title Insurance
- Right to Relet
- Alternative Structures

# How Do Rating Agencies Approach Lease Revenue Bonds Differently From Other Bonds?

- Overall Ongoing Management
- Casualty and Rental Interruption Insurance
- Releases and Substitutions

## What Are Some of the Challenges Issuers Face in Maintaining a Lease Program?

# What is the Investor Base for Lease Revenue Bonds?

# QUESTIONS?



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# THANK YOU

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## UPCOMING EVENTS

### **Municipal Debt Essentials**

September 15–17, 2026 | San Jose

### **25<sup>th</sup> Annual CDIAC Pre-conference to The Bond Buyer's 36<sup>th</sup> Annual California Public Finance Conference**

October 14, 2026 | San Francisco

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