

# MISSION ECONOMIC DEVELOPMENT CORPORATION

## BOND ISSUANCE POLICIES

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### **Section A: General Requirements Applicable to all Bond Financings**

1. Approval by the city, county or local agency hosting the proposed project as may be required under the Internal Revenue Code.
2. Indemnification with respect to the financing and the project provided by the applicant to MEDC in the appropriate financing documents.
3. Indemnification with respect to the issuance and sale of bonds provided by the underwriter to MEDC in the bond purchase contract.
4. MEDC's Program Consultant shall conduct a review of the financing structure and the associated public benefits.
5. MEDC's bond counsel and issuer counsel shall conduct a legal review of the financing documents.
6. The offering material or disclosure document shall contain language to the effect that the MEDC will take no responsibility for the disclosures contained therein (except for information under the sections titled "THE AUTHORITY" and "LITIGATION" to the extent such information pertains to MEDC);
7. For certain financings as may be determined by MEDC and its counsel, the applicant shall have its counsel deliver a 10b-5 opinion at closing. The contents of such opinion shall be to the satisfaction of MEDC and its counsel
8. MEDC, its bond counsel and Program Consultant shall have the discretion to select and determine the finance team participants with respect to each transaction.

### **Section B: Requirements Applicable to Bond Financings Rated "A" or Better**

1. All requirements listed in Section A.
2. Bonds may be issued and sold through a public offering, private placement or limited public offering with appropriate disclosure or offering materials.
3. Bonds may be issued in \$5,000 or such other denominations at the discretion of the applicant and approved by the MEDC.

**Section C: Requirements Applicable to Bond Financings Rated “BBB” through “A-”**

1. All requirements listed in Section A.
2. Bonds may be privately placed with purchasers that are “qualified institutional buyers” as generally defined under Rule 144A of the Securities Act of 1933.
3. The offering material or disclosure document shall prominently indicate on the cover that bonds can only be sold to qualified institutional buyers.
4. The face of each bond shall contain a legend stating to the effect that such Bond can only be sold to qualified institutional buyers.
5. The bond documents shall contain provisions that restrict the ability to transfer the Bonds to only qualified institutional buyers.
6. Bonds may be issued and sold through a private placement or limited public offering with appropriate disclosure or offering materials.
7. Bonds shall be sold in denominations of \$100,000 or greater at the discretion of the Board of Directors of MEDC (the “Board”).
8. Bonds may be delivered in book-entry form or in physical form as approved by and at the discretion of the Board.

**Section D: Requirements Applicable to Bond Financings Rated Below “BBB”**

1. All requirements of Section C except that;
2. Bonds shall be sold in denominations of \$250,000 or greater at the discretion of the Board, however,
3. Bonds may be sold in denominations of \$100,000 or greater at the discretion of the Board if all initial and subsequent purchasers execute a “traveling” sophisticated (which may or may not be a “qualified institutional buyer” as generally defined under Rule 144A of the Securities Act of 1933) investor letter in form acceptable to the Board.

**Disclaimer:** Requirements for all bond financings are subject to the discretion of the MEDC’s Board and may be adjusted based on factors relating to the underlying transaction.

**Effective Date**

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The MEDC’s Issuance Policy as set forth herein shall be effective immediately upon its adoption by Resolution No. 2004 - 01.