

COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY

APPROVAL PROCESS

February 2017

The Colorado Educational and Cultural Facilities Authority prides itself on being a user-friendly issuer of tax-exempt bonds. We provide the following information on the procedures and protocols of the Authority to assist you as you proceed with your bond financing. The Authority welcomes informal inquiries at any time during the process.

Pre-Application Inquiries

Potential borrowers, bond underwriters and bond counsel may find it useful to contact the Authority in advance of filing an application if there are questions concerning the eligibility of a borrower, the structure of a particular transaction or other preliminary issues. We especially urge you to initiate such a conversation if proceeds from the borrowing would be used outside the State of Colorado and the bonds would not be issued through one of the multi-state programs previously approved by the Board. Call or e-mail the Executive Director of the Authority, who will involve the Authority's general counsel and financial advisor as needed.

Monthly Board Meetings

The Authority's Board of Directors meets mid-day on the fourth Wednesday of every month, with the exception of November and December. The November and December meetings are combined into one meeting held in the earlier part of December, generally the first Wednesday of December although the specific date of that meeting is set each year. The dates of Board meetings can be found at <http://cecfa.org/boardprocess.html>.

Special Meetings

The Authority at its sole discretion may convene special meetings upon request in cases where the timing of the Authority's monthly meeting would likely allow borrowing costs to outstrip the economic viability of a transaction or when seasonal or contractual construction deadlines require expedited approval, or for other extenuating circumstances. In such cases, borrowers should be prepared to also expedite substantially final documentation submittals.

Application

Applications for financings are due not later than eleven business days in advance of the Board meeting. (Occasionally the application deadline is changed because of holidays.) The schedule of application deadlines, as well as the application form, can be found at www.cecfa.org. The completed application must be e-mailed to the Executive Director, general counsel, and financial

advisor. The Authority's staff will prepare a summary of the financing proposal which will be included in the Board's agenda packet.

Application Fee

Applications for financings must be accompanied by a non-refundable \$5,000 application fee check, made payable to "CECFA". This amount is credited toward the Initial Fee charged by the Authority. Small Borrower applications require a \$7,500 application fee, which is the only fee that is charged to most borrowers which qualify for the program, although other expenses remain, such as for bond counsel.

Documentation Submittals

Draft resolutions and supporting documentation for Board action prepared by bond counsel and others must be received by the Authority, its counsel, and financial advisor along with the application. E-mail transmittal is required.

Process for Board Approval

Typically, the Board acts on a bond transaction by adopting a "Financing Resolution" after consideration of the application and a brief presentation by the borrower. The Board at its sole discretion may require a subsequent meeting in the event that the financing structure changes significantly after the adopting of the Financing Resolution.

Financing Resolution Meeting

The Board will entertain a financing resolution only after all documents relating to the transaction are substantially complete and submitted to the Authority for review. In addition, the TEFRA hearing should be completed and the State Treasurer's TEFRA approval should be signed prior to that meeting if possible. A representative of the borrower, its financial advisor, its banker and bond counsel are highly encouraged to attend and to make a combined 5-10 minute presentation. The presentation should include:

- a brief history of the borrower and its operations,
- a description of the facilities which would be financed or refinanced through the proposed borrowing, and
- a brief discussion of the need for any new facilities if applicable
- It is not necessary to bring handouts or media presentations unless they would clarify the presentation.

The Authority Board and staff may ask questions regarding the transaction and presentation to enable them to make a fully informed decision.

Participation in the Financing Resolution Meeting by any party via conference or video call is permitted although attendance in person is preferred.

Preliminary Agreement

After the Board's approval of a Financing Resolution, the Authority prepares a "Preliminary Agreement" for execution by the Authority and the borrower. The

Agreement must be signed and returned in order for the Authority to continue working on the transaction.

Colorado TEFRA Hearing Scheduling

The Authority holds the Colorado TEFRA hearings. To schedule the hearing, e-mail the Executive Director with a suggested date and time. On the day of the hearing, e-mail the Executive Director the report of hearing with instructions as to the number of copies you would like. At the present time, the Colorado State Treasurer signs the TEFRA approval on behalf of the Governor. You should anticipate at least a two-week turnaround time for that signature.

Document Execution

Execution of closing documents can be coordinated through the Executive Director. The Board officers are the Chair, Vice Chair and Assistant Vice Chairs (all Board members other than Chair and Vice Chair), and all are typically authorized to sign documents on behalf of the Authority.